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The Nation's Business

Can Ottawa Avoid Action Any Longer?

How and when the government will finally reap the whirlwind of three years of weak and vacillating manpower policy, no wise man would predict. Month after month it has been able to "get by" through various and, for most part, purely fortuitous circumstances.

But the news revealed this week by The Financial Post's Ottawa correspondent (see this page) that the great Canadian air training plan may be forced to run at a fraction of capacity for lack of manpower unless something is done promptly is a dire portent.

Here is a situation which need never have arisen had the government been willing to face up earlier to a realistic policy of compulsory selective service; if it were willing now to admit the lunacy of maintaining a "zombie" army of at least 50,000 A category men on home defense duty at a time when every national resource is being strained to the utmost and when the air training plan is threatened with a "slowdown" because of the improper use of our national manpower.

The facts presented to our Ottawa correspondent show clearly how the stream of air force recruits is drying up; how dangerously the future of this program is being handicapped. What is also clear is that there is still ample time to correct this situation if the government will follow the precedent of Britain, Australia and the United States and grant priority to air crew or if it would release for overseas or essential service the men it has "grounded" and immobilized in its obsolete and unrealistic draft policy.

* * *

AN IMPRESSIVE PRODUCTION JOB

This week The Financial Post has put on the record the results of an exhaustive study of the operations of Aluminium Limited and its operating subsidiary, Aluminum Company of Canada. The story contains more information on these companies than has ever been previously assembled. It gives new and searching figures as to profit and earning position of this enterprise and its vast wartime expansion program.

The figures show that the Aluminium enterprise in Canada has been, since 1937, a very profitable undertaking. There is no evidence of wartime profiteering, but because of its special arrangement with the British, United States, Australian and Canadian governments, profits have now been virtually "frozen" at a level which permits the company to write off the bulk of its war expansion program in a period of 2½ years.

At the end of 1944, after these write-offs have been made, Canada should be able to sell aluminum more cheaply than any country in the world. Unless there is a sharp reduction in price at that time (and assuming war demand continues), we will be charging our allies a price out of line with production costs and the people of Canada would pocket most of the profit in additional excess profits taxes, which might easily reach as high as $50 millions a year. Be it noted that the company itself will be prevented (by EPT) from cashing in, during the war, on this great expansion of productive capacity. How much it may benefit after the war is anybody's guess as the postwar use of the plant has yet to be demonstrated.

NO COMPANY IS PRIVATE

There is another side to the story. It is that much of the present hue and cry about aluminum stems from failure on the part of the company to realize that what it has created at Arvida and Shipshaw is as much "public" business as anything we have in Canada. There have been, at times, problems of wartime censorship, but this is only a small part of the answer.

Because private enterprise created this power and aluminum plant (and only private enterprise could have done such a fabulous production job so efficiently and in so short a time) is no reason to excuse the fact that the company to date has failed almost entirely to create any national pride or understanding in what has been done.

This is the most outstanding lesson of Arvida and Shipshaw. It explains, in large measure, why the attacks on the company have been so flamboyant and why even Mr. Howe in answering the attacks failed to silence the attackers and to give large numbers of the public answers which they regarded as satisfactory.

No great private enterprise can afford to rest on its laurels of productive achievement without an accompanying measure of public understanding and support. No business dealing with the public and employing workers can be private business. All business must account to the public as to its stewardship. The aluminum enterprise, unfortunately for itself and Canada, is seeing the truth very late.

* * *

A POLICY THAT HURTS GOOD FARMERS

The Ottawa Administration's bill to provide farmers of the three prairie provinces with a new means of debt adjustment has just had second reading. It rescinds the Farmers' Creditors Arrangement Act which applied to Alberta and Saskatchewan and replaces it with new debt adjustment provisions and extends them to Manitoba.

The Administration is very evidently bowing to political pressure which has been vigorously exerted by certain western groups since the Alberta Debt Adjustment Act was held ultra vires.

In view of the high level of prosperity now enjoyed by western farm interests and the large measure of relief already accorded them in various ways, no argument that such federal legislation is "a crying need of the hour" can be taken seriously.

The really unfortunate thing about such debt tinkering is that ultimately the honest farmer who really needs relief will be unable to get it; that the hard-working, competent, up-standing farm citizen will be at a serious economic disadvantage compared with his no-account neighbor who is willing and anxious to squirm out of responsibilities.

The new bill, for the first time, would provide for the right of appeal from the decision of the Board of Review. But curiously this appeal is to be made only to one judge, specially appointed for the purpose in each of the three prairie provinces. From here, no further appeal is permitted.

Providing an appeal to the judiciary is entirely proper. But why must it go to one specified judge; why not to the provincial appeal court as in other matters?

Furthermore, the instruction that adjustment shall be made "on the present and prospective capability of the farmer to meet his debts as they become due and on the productivity of the farm" is most inadequate and loaded politically.

Anyone but a politician would have written the second half of that phrase rather like this: "and on the productive value of the farm in the hands of a farmer of average skill and energy."

The Administration's bill also provides that a farmer who has had one debt adjustment prior to January 31, 1939 can come back for a second debt adjustment if two-thirds of his debts were incurred prior to May 31, 1935.

There is no provision for creditors coming back for a second adjustment. Here again is the one-way street principle.

May End Ban On Wide List U.S. Imports

Foodstuffs, Nuts, Electrical Goods, Radios, Clothes May be Imported Again

By STAFF WRITER

OTTAWA. — A complete overhauling of the War Exchange Conservation Act and removal from the U. S. import banned list of a wide number of items now in short supply in Canada is at present under study, The Financial Post is informed.

As a result of the new approach to Canada-U. S. trade, it is expected that barriers to a free flow of merchandise between the two countries —first raised in the Ilsley "baby budget" of Dec. 1940—may now be removed.

When the War Exchange Conservation Act was first introduced early in Dec. 1940, it was intended primarily as a measure to conserve Canada's dwindling supply of U. S. dollars. This was before the days of the Hyde Park Agreement, at a time when Canadian purchases of essential war material had far outrun Canada's ability to earn U. S. dollars with which to pay the bills.

Most important part of the Act was Schedule One which listed some

(Continued on page 2, col. 7)

ALLIED FOOD HEAD

L. B. Pearson, Minister-Counsellor at the Canadian Legation at Washington, and one of Canada's delegates to the Hot Springs Food Conference, has been made chairman of the United Nations commission on food and agriculture which comprises representatives of 44 countries. Mr. Pearson has participated in many international conferences in Ottawa, London, Geneva and Washington during his 12 years with the Canadian diplomatic service. Professor of History at the University of Toronto before joining the government service, "Mike," as he is popularly known was then also an energetic and successful coach in athletics.

Elson From Washington

Canada's Job Keeps Growing

By ROBERT T. ELSON

- **Canada takes lead in Allied Relief Conference**
- **U. S. expands wheat acreage 16 million acres and stresses meat and egg production**
- **President Roosevelt "cracks down" on his fighting cabinet**
- **Some variant of the Canadian system of price control is looked for**

● Canada assumes in the chairmanship of the United Nations interim commission on food a formidable international task. The immediate objective is to establish what amounts to a United Nations secretariat for food, nutrition and agriculture. But far more important is the fact that entrusted to this interim commission is the task of framing the first United Nations organization on a continuing basis.

What is accomplished in food will test the ability of the United Nations to work together in the future. The choice of Canada again underscores the Dominion's unique and key position. The Americans did not want to take this post probably to avoid any suggestion that the United States wished to dominate. Also since there will be other organizations in the making it will be essential to see that other nations are accorded leadership in turn. Brazil might have been named but that would have involved South American politics. Canada is a major food producer with vast influence on world markets—a "have" as against a "have not" nation and less open to suspicion that she would seek to play her own game.

Canada's chairman, L. B. "Mike" Pearson, O.B.E., minister-counsellor at Washington, shoulders a heavy personal load in undertaking this task. But he has an enormous capacity for work and is liked and trusted in diplomatic circles.

● But the chairmanship of the food commission is only one of the important tasks soon to be assigned to the Dominion. Another is soon coming up in the relief conference, which has been postponed for several months because the Netherlands and certain other of the smaller countries objected to the original drafts of the convention which centred all the power in the "big-four" — Britain, the Soviet Union, the United States and China. There is reason to believe that this did not sit well with Ottawa either and that Canada's suggestions on the draft may open the way for important alterations which will give more authority and actual power to a United Nations relief council than to a four-power executive committee.

Canada, it is expected, will assume an important post on the supply committee of the relief organization which will be charged with finding the food necessary to relieve Europe and Asia.

Meanwhile objections originally raised to Canada's participation at top level on the Combined Food Board, which has been an Anglo-American organization, are disappearing. It is obviously anomalous to have Canada as chairman of the United Nations interim food commission and sitting on the relief supply council, yet unrepresented on the Combined Food Board. But the latter body is not one of the most effective of the British-American agencies of alliance. It suffers mainly from the fact that there remains a division of responsibility in the war food program in the United States, between Secretary of Agriculture Claude Wickard, who sits on the Combined Board, and Judge Marvin Jones, the war food administrator.

Meanwhile an attempt is being made in London in conferences between British, American and Canadian delegates to balance nutritional standards in all three countries and

(Continued on page 2, col. 6)

Investing For Tomorrow

The Outlook for CPR

Main Problems Are: Traffic, Fixed Charges and Competition

By W. BRUCE MacKINNON

Competition with the CNR is perhaps the big single problem for CPR management. But from a purely investment point of view, competition from the CNR has become an established factor in the earnings structure. Of great importance to both railways is the competition from other means of transport, and this may become even more significant in the future.

Although CPR's outside activities, hotels, steamships, air line and investments, have produced a substantial share of the corporation's income, their contribution still accounts for only 25 cents of each dollar of total income in 1942. CPR is still 75% railway, even from the narrow viewpoint of recent earnings.

As such, the primary questions that the investor will have to answer regarding the status of CPR are these:

How much traffic will there be for CPR after the war?

What will the traffic be like, will it tend to produce high revenues or low?

How big a share of it will CPR get?

Like the railway itself, the answers to the first two questions are inevitably tied in with Canada's economic destiny. In the past, and continuing today, abundance of revenue traffic has developed when Canada has been prosperous, and Canada has only been prosperous when export and import trade has been at a high level.

Can we look for that sort of trade after the war?

In the first year or two after the war, the answer is probably in the affirmative. Canada's grain surpluses will almost certainly move out of the granaries of the west to the relief of Europe and Asia. Lumber and other building materials will be in great demand throughout Europe and in the housing projects that are planned for Britain. And there will probably be a "replacement boom" in Canada as industry turns its working capital, and private citizens their war bonds, to the job of reconstruction and re-equipment.

But this sort of traffic can hardly be expected to last indefinitely. Only if Europe reversed its trend toward self-sufficiency in foods, which appears improbable, could North America expect to continue as the bread basket. The self-sufficiency that has been attained in foods may tend to make the period of European dependence briefer than after the last war.

In the longer view, continued high exports will only come through another era of international lending, or through the development of reciprocal trade, based on higher living standards within Canada and within the nations with whom we trade.

The type of commodity which the railroads are called upon to handle will be of great importance. After the last war, many of the "reconstruction commodities" were bulky and had to be hauled long distances. A glance at the chart will show that the import-export trade of the 1920's brought higher operating earnings to the CPR than have the considerably more valuable imports and exports of the war years. Canada has been trading in smaller, more valuable commodities as her manufacturing industries have developed.

Of even greater importance will be the freight rate structure. The high earnings of the 1920's were achieved with heavy freight traffic carried at higher rates and somewhat lower costs than applied in the 1930's. This change has meant that the railways can expect smaller earnings from any given level of import-export trade or domestic activity.

Unless there is a reversal of the self-sufficiency trend this light, valuable sort of cargo is likely to continue. In the 19th century, international trade developed between nations in the same climatic belts, based largely on differences in the degree of their industrialization and the quantities of skilled labor available. In the 20th century, the trend has been for economic nationalism to eradicate this sort of trade, leave only trade which has been that based on

(Continued on page 8)

Dofasco Plant Reaches Goal

Thirty Days to See Completion—"Rights" Lack Confirmation

While present postwar planning might eventually lead to some further financing, reports that Dominion Foundries & Steel will shortly carry out an offering of rights lack official confirmation.

The company has no pressing need to strengthen its financial position since the company's expansion program will reach completion within the next 30 days, The Financial Post is informed. Heavy wartime write-offs for depreciation mean a substantial flow of new money into the company's treasury and with further expansion apparently out of the way, it appears that the treasury may be strengthened in the normal course of events without any new financing.

Working capital was at a new high of $3.6 millions at the end of 1942 and with ordinary and special write-offs at the 1942 rate of $4.9 millions, a substantial increase in working capital is not difficult to visualize.

Operations at Capacity

Operations at the company's plants continue at peak capacity with no signs of let-up, it is understood. However, character of business, and demands for products, are constantly changing and it does not appear likely that the management will place too much reliance on the present level of activity being maintained. Even with peak activity, it is possible that earnings for 1943 might be under those of $2.66 a share for 1942 with certain items of cost rising.

The management isn't saying much about postwar planning as yet but it is unquestionably receiving a great deal of attenton, The Post gathers. The ability to use existing plants after the war is being a great deal of attention. The tential postwar markets are being surveyed thoughtfully, it seems.

Double Output Farm Machines

Increase of 130% Allowed for New Machines —Reflects Food Need

An increase of approximately 130% in tonnage of new farm equipment which implement manufacturers may turn out the next 12 months is the highlight of new WPTB farm machinery quotas released by H. H. Bloom, WPTB Farm Machinery Administrator.

Behind the order for more farm machinery are increased food production goals which made increased equipment production mandatory as

(Continued on page 2, col. 1)

Say Air Training Schools May Have To Slow Down

Cabinet Said Faced With Direct Challenge From Air Force to Grant Priority or Other Manpower Relief to Avoid Curtailment

By KENNETH R. WILSON

OTTAWA.—A declaration has been made by high officials of the RCAF under date of July 15 that, unless something is done to correct the manpower situation affecting enlistment or procurement of air crew, the RCAF will be faced with a substantial curtailment in the entire air training program.

So far, The Financial Post is informed, the War Committee of Cabinet has given no promise of relief beyond extending the call-up age to men 18½ years of age. The matter is said to have been threshed out at a very acrimonious meeting of the War Cabinet last week.

The given date beyond which it will be impossible to maintain air training plan schools at present capacity is toward the end of 1943.

At that time, Air Force officials declare, the number of Initial Training Schools will have to be substantially reduced. Similarly at progressive stages, Elementary Flying Training Schools, Service Training, Wireless Navigation, Bombing and Gunnery Schools may have to close for lack of trainees.

What is clearly implied in this declaration is that unless steps are taken toward a more decisive manpower policy and toward some form of priority for air crew, the war-vital air training plan may have to slow down for lack of Canadian personnel.

Scathing comment is made in an earlier declaration about the wastage of manpower involved in keeping 50,000 "A" category "R" recruits on home defense service in Canada. The need for making these men available for universal service and permitting them to transfer to the Air Force if they wish to do so, is stressed.

Battle for Priority

It is well known that for a very considerable period of time, the Canadian Air Ministry has been battling with Army authorities to get priority to enlist category A men for air crew. It is stated that Great Britain, Australia and United States have all granted priority to air crew over all branches of the armed services and industry. As well, men already enlisted in the services in these three countries are permitted to transfer freely if they express a desire for air crew training.

Canada alone, it is pointed out, despite her tremendous commitment in respect of air training and air manpower, has so far refused to grant such a priority.

Failure to resolve this argument satisfactorily between the two services has now brought the matter to a head in terms of larger government policy. But War Cabinet, it is reported, has so far been unwilling to take steps which Air Force officials believe are necessary to prevent a gradual paralysis of the vast air training program.

Charge of Hoarding

Arguments presented, on the other side, are, first, that this is not the first time the Air Force has got hot and bothered about its manpower problems and, secondly, that the Air Force should do some housecleaning among the manpower it is reportedly "hoarding" in its ground crew personnel.

So far as the accusation of "wolf, wolf" is concerned, even the most optimistic observers believe that the manpower situation so far as air crew is concerned, is now more critical than at any previous time in history. Certainly the next two months, it is said, will clearly prove or disprove the departmental view

(Continued on page 2, col. 3)

Salmon Catch Disappointing

From Our Own Correspondent

VANCOUVER.—It is still too early to make a worthwhile estimate of B.C.'s 1943 salmon pack, but it has got off to a slow start. Production figures issued by the government July 14 indicate that so far the pack is barely one third of the figure in 1942 and 1941 at the corresponding dates.

In all areas only 11,072 cases of all salmon varieties have been packed, compared with 31,021 cases at the same time in 1942 and 33,863 in 1941. In fact, this is the smallest pack for the period in the past six years.

However, no one expected that last year's performance would be duplicated. Last season the catch of sockeye off the mouth of the Fraser was the greatest since the record-breaking run of 1913, which preceded the disastrous slide of rock at Hell's Gate on the Fraser River which all but ruined the great fishery for all time.

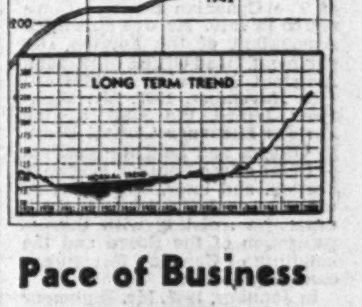
The economic setup for the salmon industry this year has been finalized by the order of the WPTB, issued July 15, which supersedes all previous orders. It removes from consideration all prices to the fishermen and merely establishes a ceiling for the canned product, with allowance for variety, grade, weight, type of can and operating costs such as labelling, transport and maximum markup.

This arrangement is expected to simplify procedure and give the fishermen more leeway for bargaining with the packers. Under the original order issued in May fishermen's maximum prices were set at last year's minimum. In view of increasing costs this led to a good deal of dissatisfaction. The fishermen protested and carried their case to Ottawa, supported by the packers.

East Crest Well Blows Self In

The Athabasca test well of East Crest Oils and Davies Petroleums, recently completed, "blew in" this week under its own pressure, giving indications of being a substantial producer, The Financial Post is informed. Gas pressure was stated to be very great. Great significance is attached to this result because it promises to be the first producer in a new area.

Word reaching Toronto was to the effect that the well had been under control since 6 p.m. Tuesday night and would remain closed pending Conservation Board tests. H. S. Price, president of East Crest, who has been supervising operations, has left for Calgary to confer with Maynard Davies, Dr. J. O. G. Sanderson and Conservation Board officials.



Pace of Business

The Financial Post's Production Index is down 2.3 points for June; half a point for May. This index has moved up steadily since war started, especially since the beginning of 1941. Downtrend for the past two months suggests inordinate acceleration of the past two years may have terminated and that further increases must depend on greater productivity.

Dominion Government war expenditures were $256.3 millions in June; total expenditures $322 millions; total revenue was $198.8 millions.

Railway freight loadings in tons rose 24 points (DBS index) in June; cars loaded rose only 4.5 points.

Revenues of Canadian railways continue to rise; C.N.R. gross for the first half year is up 24.3%, net up 18.2%.

Sea fisheries made small gains in weight of catch in May and large gains in value; five month total shows landed weight down 23.6% value up 35.1%.

Complete statistics on the progress of business are on page 7.

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Double Output Farm Machines

(Continued from page 1)

the farm labor supply becomes still shorter.

By the latest order, new farm equipment can be produced up to 77% of the 1940-41 average compared with a low of 25% of 1940 output set last October, eased to about 35% last March.

Repair parts, under the latest order, can be produced up to 156% of the 1940-41 tonnage. Repair parts had previously been set at 150% of the 1940 level. Attachments are subject to the same percentages as the type of machine for which they are intended.

The total program—applying for the next 12 months—will allow the turning out of approximately 90% of the average total weight of machines, repairs and attachments supplied in the 1940-41 period.

Rationing of farm machinery, placed in effect last October, will be continued as a means of ensuring fair distribution and maximum use of every piece of equipment.

The number of kinds of machinery and equipment which may be manufactured has been approximately doubled but it is planned to produce and import only the most essential units. For the Prairie Provinces, production will be permitted of such additional lines as potato and corn planters, two-furrow riding gang plows, potato diggers, feed mixers, aerated or surface type milk coolers and watering equipment. Additional lines will be allowed in eastern Canada and British Columbia.

Machinery and equipment using rubber tires may not be made except on permit but the administrator states a limited number of rubber tire tractors and combines will be made which will be made available in sections where difficult traction conditions are experienced. Certain types of small equipment made of non-critical materials are exempted from the order.

Under previous WPTB orders, the quantity of new machinery available was based on manufacturers' and importers' sales in 1940, it will be noted. The new order, which brings Canadian practice more into line with that in the United States, relates production and imports to average sales of the calendar years 1940 and 1941.

The consumer is unlikely to feel much benefit from the new quotas until the crop year 1944 as a substantial quantity of new machines cannot usually be completed until fall. The new order is intended to enable manufacturers to obtain materials and complete manufacture in time to meet consumer needs in the 1944 production year, it is stated.

C. K. Highmoor

Appointed Supervisor, Foreign Department, Head Office, The Canadian Bank of Commerce, Toronto.

Mr. Highmoor joined the staff of The Canadian Bank of Commerce in 1910. He was appointed Accountant of the Foreign Department, Head Office, in 1923 and Assistant Supervisor in 1934.

In November, 1939, Mr. Highmoor joined the staff of the Foreign Exchange Control Board in Ottawa and held the position of Chief of the Foreign Exchange Section, and later, Supervisor of the Approvals Division, in both capacities assisting with the organization of the Board and the handling of Canada's foreign exchange problems.

In January, 1943, Mr. Highmoor was loaned to the Ration Administration of The Wartime Prices and Trade Board for a temporary period and took a major part in the development of that Administration.

He returns to the Bank as Supervisor of the Foreign Department, Head Office.

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The War and Business

By BRUCE MacKINNON

Cane Sugar

Last year's pattern in sugar production, which stressed beet sugar at the expense of cane, is undergoing a minor reversal. With the beet crop down to around 60% of normal and supply of cane increasing steadily as a result of improved shipping, at least one southern Ontario sugar plant plus a number in northeastern United States are shifting back to cane. Normally many mills alternate between cane and beet with the seasons—last year there was very little cane.

Present easing of shipping has also improved the supply position in cocoa, coffee and vegetable fats. While OPA has predicted the end of coffee rationing about Aug. 11, Canadian authorities and many independent U. S. observers are more cautious, expect the military to revise schedules to take up all the surplus shipping which is now helping out domestic supply needs. Ships transferred from the central pools to the armed forces will still return loaded, largely with consumer cargoes, so that even the pessimists look for a steadily improved supply position—unless the U-boats develop new tricks.

* * *

Sicilian Breadbasket

Although the Allied attack on Sicily was accompanied by ships loaded with food for the native population, it is not expected that the island itself will long be a drain on the United Nations larder. Sicily has normally been an exporter of olives and olive oil, citrus fruits, tomato paste and wine. It has also provided perhaps half of Nazi-dominated Europe's supplies of sulphur, and is thus of key importance in production of explosives. To what extent Nazi looting has made inroads on the local food supply is hard to tell, but it is known that a good part of Sicily's wheat, normally consumed on the island itself, has been commandeered.

* * *

Operating Ratio

Use of gliders for carrying commercial cargo over the Atlantic is still far from being a practical form of transport. Reason: it took nearly 3 tons of fuel to move a ton of cargo on the recent successful, but still experimental glider-trip across the North Atlantic. All of which proves that in war costs are secondary; but in peacetime they are of primary importance.

* * *

Precious Freight

A $1,050,000 consignment of strategic and delicate war equipment one morning last week was moved 350 miles by tractor semi-trailer in convoy and arrived on the scheduled minute. With two other trucks spaced 200 yds. before and behind and accompanied by two guards in an automobile, the shipment was an emergency order, closely timed, secret, The Financial Post learns. Called the most valuable single industrial truckload known in Canadian highway hauling records, it moved off at 3 p.m. and, traversing the distance at a measured 27 m.p.h. average, was checked in at 4 a.m.

* * *

Octane Argument

A petroleum engineer tells us that the debt of the United Nations to 100-octane gasoline has been somewhat exaggerated. Dealing specifically with the stock claim that the Battle of Britain was won by 100-octane gas over the 87-odd octane fuel used by the Nazis, he points out that this would only be true if both sides had been using the same type of engine. Actually, the direct injection method of feeding gas to Nazi cylinders meant that the Luftwaffe engines got just about all the octanes the fuel had to offer.

Using normal methods of carburetion, the RAF engines probably developed considerably less than the optimum power in their 100-octane fuel, probably equivalent to 90-octane at the outside, he thinks, and the apparently preponderant fuel superiority over the Nazis was reduced to nominal proportions. If we hadn't had the higher octane gas to begin with, the plight of the RAF might have been desperate, this oil expert believes, and credits the victory over the Luftwaffe as much to pilots and planes as to fuel.

* * *

Line Busy

With the issue of new telephone directories, the Bell Telephone Co. in Toronto is urging its customers to eliminate unnecessary calls to "Information." About 33,000 requests for information go into the Toronto office daily, keep 130 operators steadily on the go. Some 80% of them are for numbers already in the 'phone book and represent a steady waste of the services of about 104 operators. Bell men are optimistic about their campaign, point out that previous drives in Quebec City cut information requests from 16,000 to 7,000 daily, in Montreal from 60,000 to 30,000.

* * *

Chicken Obstetrics

Canadian poultrymen are becoming more and more skilful, according to the Dominion Department of Agriculture. A sign of this, the Toronto office thinks, is the steady gain shown in "hatchability" of eggs incubated.

Better flock management, improved incubating conditions for the eggs and hens and superior feeding all tend to cause more eggs in a given number to hatch successfully. At one time the proportion in Canada was 40%; now it is as high as 85% in some hatcheries. Also important are the strains of laying hens. These are the families within a breed, and the good ones can be learned only by following their records closely.

A major factor is the mash fed to laying hens. A good mash consists of a variety of ingredients, including milk and cod liver oil. That more hens are being properly fed points to more study on the part of the poultrymen who more and more are seeking information from the department.

Demand for chickens is stated by poultrymen to be nothing short of phenomenal, due to such factors as meat rationing and higher wages.

See Air School Slowdown

(Continued from page 1)

that there is no possibility of carrying on the air training plan in its present size beyond the end of the year without immediate action.

As to "hoarding" of manpower among ground crew, it is admitted that there are about 100,000 men now in that service, of which a certain member might be available ultimately as air crew. These men are now being remustered at a substantial rate per month, a rate which, it is contended, is as fast a rate as possible in light of available replacements (chiefly women) and the fact that it takes probably 10 months to train expert ground crew.

To move skilled ground crew into training as air crew without having skilled replacements would be to undermine the training plan, it is argued.

Enlistments Third of Needs

It is contended that enlistment of air crew is now far below the monthly requirement. Even when those who are being remustered are included, the total still falls short of estimated need. As well, allowance must be made for wastage of men, found unsuitable for air crew after they enter the service.

As at Jan. 1, 1943, the Air Force had several thousand enlisted recruits on leave without pay. These men were required to report at intervals up to July 1. This reserve, it is argued, has now been entirely used up, which makes the Air Force entirely dependent on enlistments and remusterings.

In some quarters it is indicated that the Air Force still has a "reserve" of some 8,000 men in its manning pools and pretraining schools. It is pointed out in reply, however, that these men are part of the "stream" rather than a reserve and that it is the drying up of the stream that is the real crisis which now looms. Already there has been a lowering of standards and a "raiding" of the pretraining schools by taking into the force lads who have only partially completed these courses. Such practices, it is pointed out, can only go on for a certain time and actually bring closer the day when the "stream" itself dries up—provided there are no more young men coming into the picture.

Short on Education

It is also contended in an earlier memorandum on the same subject and dated May 27, that only a small percentage of those presenting themselves for enlistment today have educational qualifications which enable them to start training at Initial Training Schools. It is necessary to give the large majority of these men at least 1½ to 3 months educational training. In order to provide for this and for basic training at the Manning Depot, plus a reserve of one month's requirements, there should be at all times a very considerable group of men in the service who have not started their initial training.

Chief source of Air Force recruits is the young men who come of age. The number involved is about 110,000 a year, but only a certain per cent of this total are satisfactory for air crew purposes. From this number must be deducted those who are exempt on account of farm duties, university students taking science courses, men who get frozen in mining, lumbering, essential war industry, etc. This leaves the Army, Navy and Air Force to fight over the remainder since the Air Force in Canada has no priority.

NRMA No Solution

New proposals put forward by way of extending the provisions of the NRMA, while offering some relief, do not, in the view of Air Force officials, "begin to solve our problem and are merely skirting a problem which must now be definitely faced." The July 15 declaration further points out that "if the air training plan is to be a major contribution to the war and is to be maintained at capacity this fact must be recognized and acknowledged and a system of priorities must be set up which will assure the Air Force of sufficient manpower to maintain our commitments.

"The importance of air power," it continues, "has been recognized by the other United Nations to the point where in the United Kingdom, Australia and United States the Air Force has priority over all branches of the armed services and industry and enlisted men are allowed to transfer freely if they express a desire for air crew training. These countries have long recognized that air power is of prime importance, that air crew must be composed of the very best men whose motives are unquestionable, and that regardless of their training such men should be released to the Air Force on their request."

Seek Release From Army

In keeping with this request, Air Force officials have asked that the Minister of Defense release personnel now in the Army, and who desire to transfer into the Air Force for air crew duties.

Also urged is that broader steps be taken immediately to ensure:

(a) That men of military age still employed in nonessential industry be released for the armed services.

(b) That men and women in nonessential industry be transferred to essential industry in order to permit men of military age and qualifications in essential industry to be released for services in the armed forces.

It is pointed out that there are presently wide gaps in the compulsory transfer program, such as (1) persons who have their discharge are not subject to compulsory transfer; (2) married persons, irrespective of date of marriage, are not directed to employment involving change of residence; (3) married people, regardless of date of marriage, are not to be directed to employment where rate of remuneration is less than present rates, etc.

(c) The status of university students be immediately reviewed.

(c) That the policy of wholesale deferment on farms be rigorously reviewed and authority given and action taken to ensure farm labor is equitably distributed.

Critical of Draft Policy

Behind this program is obviously an attempt to suggest ways and means by which more manpower can be released for the armed forces, thus paving the way for release of air crew material from the Army.

There is very scathing comment in the earlier memorandum on the status of "R" recruits, of which at least 50,000 are stated to be in category "A". It is pointed out that "the most fruitful employment of these men could be derived under a policy of conscription for overseas service" and that barring such a step, they might be organized in labor battalions and used more effectively in vital war industries.

As danger of an invasion of Canada becomes remote, it is suggested that size of Home War Establishments can be decreased and a fewer number of "R" recruits held for defense of the country. It is indicated on "a sad commentary on our national effort" that at a time "of critical manpower shortage this large group of physically fit men will, as long as they retain their present status, contribute nothing to the war effort and will as a matter of fact increase in numbers as more men are called up."

In respect of conscription for overseas, while it is clearly stated that this involves government policy beyond departmental purview, it is felt that "the present critical manpower situation will be largely resolved and that the reallocation of labor and the call-up of women expedited if all those called for service under the NRMA were required to go wherever their services were required."

Water Levels High In Eastern Canada

Stream flow conditions in Canada in June were similar to those in May, according to a report by the Dominion Water and Power Bureau, Department of Mines and Resources, and the United States Geological Survey.

Conditions were above normal from Saskatchewan to the eastern seaboard and below normal in British Columbia and on the mountain-fed streams of Alberta.

High run-offs were experienced in rivers of southern Manitoba, Ontario and southern Quebec, with floods causing local damage in the latter area. Continued cool weather and light precipitation retarded run-off from snow storage in the mountain areas of British Columbia and Alberta. The large power-producing rivers in the eastern half of Canada benefitted from the above-normal run-off of June; reserves of water in storage reservoirs on these rivers were either maintained or increased.

Can. National Rlys.

Operating revenues of Canadian National Railways for the month of June, 1943, show an increase of $7.5 millions over June of last year, while net revenues show an increase of $1.4 millions.

Aggregate operating revenues to June 30 in 1943 show an increase of $41.1 millions over the same period of 1942, with net revenues up $6.9 millions.

Earnings Statement

	June 1943	June 1942
Oper. revenues	$39,260,000	$31,789,000
Oper. expenses	29,892,000	23,843,000
Net revenue	9,368,000	7,946,000
	Aggregate to June 30 1943	1942
Oper. revenues	$210,484,000	$169,415,000
Oper. expenses	165,549,000	131,396,000
Net revenue	44,935,000	38,019,000

Investment Trusts

	Bid	Asked
Affiliated Funds	3.67	3.90
Can. Int. Trust	4.00	5.25
Can. Invest. Fund	3.85	4.15
Can. Investors	5.25	6.00
Corp. Investors	6.30	6.80
Trans-Canada	10.90	11.25

Elson From Washington

(Continued from page 1)

to approach various requirements from a common ground. But difficulty in providing for true equality of sacrifice between such countries as Canada and the United States and Britain is an obvious one. Britain still must import much of her food—and shipping, though much improved, remains the bottleneck.

In the United States the announcement of War Food Goals for 1944, which call for an increase of 16 million acres in crops and emphasize meat, egg and dairy production, reveal also that the WFA is calling for expansion of the American wheat crop by 14 million acres to 68 million acres. Thus American and Canadian food programs in respect to wheat now diverge. The United States is increasing its production while Canadian wheat acreage has been reduced consistently during the past two years.

In the wake of the announcement that more wheat acreage is desired came rumors that there might be a further increase in U. S. wheat prices. These arise from the fact that if a 14 million increase in acreage is to be achieved there may have to be some incentive. There has been a trend here to decrease wheat acreage because of higher parity prices on other crops. Meanwhile the farmers contend the flour ceiling imposed by the OPA keeps down the wheat price to $1.24 (June 15 price) as compared with the so-called parity price of $1.45. It is argued that the flour trade could support $1.45. But even at present prices farmers are paying off loans and making a certain profit.

Obviously the Canadian middle west will certainly be closely watching these developments and farmers there will turn an inquisitive eye on Chicago markets, particularly if the U. S. Government yields to the pressure from the wheat states.

● The President has "cracked down" on his warring cabinet members — Vice-President Henry Wallace and Secretary of Commerce Jesse Jones. He shifted control of Economic Warfare to Leo Crowley, the $50,000-a-year head of Standard Gas and Electric Co. who as a dollar-a-year man has been alien property custodian and head of the Federal Deposit Insurance Corp. Jones lost control of financing foreign purchases but was retained for his commerce post and nominal control of the war finance agencies.

To Wallace's friends it looked as if the vice-president, who returned to the figurehead post as presiding officer of the Senate, got the worst of it. And because Wallace's speeches on the "century of the common man" keynoted the politcal objectives of the New Dealer, the question was asked: Is this a turning of the political tide?

Certainly the winds of public opinion seem blowing in more conservative directions. But to carry the maritime analogy one step further, it may be that the President has only tacked against this wind. The fight with Jones may well have cost the vice-president the 1944 nomination as Mr. Roosevelt's running mate. But there never was evidence that Wallace entertained presidential ambitions.

● If Mr. Roosevelt wants to have a say in the peace he has to run a fourth time. He also had to bring about order in his own administration, for reports from the country indicate that the quarrel in the Cabinet profoundly shocked the nation. To have decided in favor of Wallace would have alienated the conservative South where Jones has power. By clipping both men the President moved to resolve the crisis of confidence in his administration. Crowley, who comes in, holds the respect of the business community and is a political power in the mid-west. In other words some broken fences are repaired.

In "demoting" both Wallace and Jones, Mr. Roosevelt made it clear there will be no more public fighting among administrators except at the expense of their jobs. This seems to be an indication the "boss" is turning back his attention to the home front and will keep it there so long as the military and naval men are doing so well overseas.

For Canada this has some significance because it means that Mr. Roosevelt is going to put his whole strength behind the order to "hold the line" on inflation. While the short-term outlook on prices here is no better, long-term chances of slowing down the retreat before higher prices are much better.

● The reason for this is to be found in the pledges Mr. Roosevelt made to labor during his trial of will with John L. Lewis. The White House had to have support from the big labor men and, to get it, the president gave pledges that prices would be held and if possible rolled back. Mr. Roosevelt wouldn't be where he is today if he didn't keep his promises and they weren't given lightly. Thus he is going to concentrate upon this phase of the home front.

If the rollback cannot be achieved then there is a suggestion that wages will be tied to prices here as in Canada. Ex-Senator Prentiss Brown, head of OPA, said he favored adoption of some variant of the Canadian system if prices continue to rise. But he still expressed a belief American prices can be held or reduced. The test on this issue should come to a head before the end of summer.

Brown's organization which has always been a target for brickbats staggered a little under the blast of Lou Maxon, the Detroit advertising executive who quit last week. Maxon, who was disappointed in his ambition to become general manager under Brown, of the price control setup, said some very harsh things about "academic and professorial minds' and suggested that OPA could fire half its lawyers and be better off. But the reaction was not so universally against OPA as Maxon must have expected. And an equally top-line advertising man, Chester Bowles of New York without hesitation stepped in to take his place and the job Maxon wanted but didn't get—that of general manager. This week Senator Brown was still holding a much-battered fort but with the prospect that reinforcements might be on the way.

Canadian Workers Speed The Tanks

In this war of machines, Canadian factories are participating with force. Tanks, armoured vehicles, and many other needed war machines are streaming forth to carry the fight to the foes of freedom. Manpower is the greatest factor behind the production of machine power—labour and management, shoulder to shoulder, in a struggle to out-produce the Axis. Throughout Canada in hundreds of branches six thousand men and women of the Bank of Montreal are helping by war-time banking service.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service ... the Outcome of 125 Years' Successful Operation
A 176

Age Gives Man No Right To Carry More Flesh

Body Build Regarded as Important Factor in Setting Ideal Weight For Varying Heights — Metropolitan Life Issues New Weight Table

Do you weigh too much for your height?

If you do, insurance company statistics say you are not likely to live as long as the skinny chap next door. The question, therefore, is important.

The Metropolitan Life Insurance Co. has just announced a new table showing ideal weights for men of different heights. Feature of the new table is that, while it makes no distinction for increasing age, it does make allowance for differences in build.

What Older Men Should Weigh

Previous tables showed a progressive increase in men's weights as they grew older. But the company's statisticians, in working out the new table, concluded that a man of 48 was not entitled to carry any more avoirdupois than one of the same height and build of 30. They decided the most favorable weight for any man over 25 is about the average weight of men of his type at 25 to 30 years of age. Thus older men should not weigh more than younger ones.

It was, however, felt that a man of large frame and muscular build could with safety weigh more than one of the same height but small frame. Accordingly the company's statisticians, in setting up the table, have recognized as factors in weight three types of build: small, medium and large.

Liberal Range

Within the three types the range of weight allowed is fairly generous. Thus a man 5 ft. 8 in., of small frame, should properly weigh between 136 lb. and 147 lb., a margin of 11 lb.; if of medium bone and build, between 145 lb. and 156 lb.; and if of large frame, from 153 lb. to 166 lb. So in men of the same height a range of from 136 lb. to 166 lb. is allowed.

Ideal weights for men over 25, including shoes and ordinary clothing, are given as follows:

Check Your Weight

Ft.	In.	Small Frame lb	Medium Frame lb.	Large Frame lb.
5	2	116-125	124-133	131-142
5	3	119-128	127-136	133-144
5	4	122-132	130-140	137-149
5	5	126-136	134-144	141-153
5	6	129-139	137-147	145-157
5	7	133-143	141-151	149-162
5	8	136-147	145-156	153-166
5	9	140-151	149-160	157-170
5	10	144-155	153-164	161-175
5	11	148-159	157-168	165-180
6	0	152-164	161-173	169-185
6	1	157-169	166-178	174-190
6	2	163-175	171-184	179-196
6	3	168-180	176-189	184-202

In announcing the table, the company states investigations of life insurance companies show that with advancing age the penalty of overweight becomes increasingly marked, while in middle and later life those below average weight for their age have the best record of health and longevity.

Higher Mortality

Its statisticians point out that even the carefully selected overweights accepted for life insurance have a mortality experience above that of the slenderer fellows. For example, those 20% overweight show mortality about one third higher than average; 30% overweight, mortality about one half higher; and 50% overweight mortality practically double the average.

Substantial overweight, it is stated, puts a real strain on practically all vital functions of the body, hastens deterioration and brings premature death. This is indicated by the earlier development among overweights of diseases of heart, kidney and blood vessels.

Control of body weight by diet is urged as being more important than ever.

Plan Overhaul Exchange Act

(Continued from page 1)

eight or ten score items from the Customs Tariff and prohibited entirely their import into Canada unless such imports were from the sterling area or from Newfoundland.

It is this list of prohibited articles which is now being drastically overhauled, The Post is informed.

Now that the imperious need for U. S. dollars has disappeared it is thought short-sighted to continue to ban from import into Canada a lot of items which are in very short supply in Canada and which might otherwise be available to Canadian purchasers. In many cases the U. S. itself is now running short—a typical example being canned goods—so that the amount that may be available on some items, even if Canada does remove the barriers may not be large.

Eligible for Subsidy?

Revision of the list along the lines now under consideration would probably involve readjustment of the price ceiling policy since many prohibited items have not heretofore entered into the price ceiling administration. Once they are permitted entry it will be necessary to decide whether or not the goods are to be eligible for subsidy so as to sell under the Canadian price ceiling, that is, assuming that they are items not now exempt from the price ceiling regulations.

Leading items in Schedule One of the War Conservation Act include:

Cocoa and chocolate preparations
Prepared cereal foods
Biscuits
Macaroni and vermicelli
Florist stock, bulbs, cut flowers, etc.
Canned vegetables (beans, corn, tomatoes, peas, etc.)
Dried, prepared or preserved vegetables
Dried apples, figs, pears, peaches
Preserved fruits
Limes
Jellies, jams, preserves
Honey, nuts, candy and confectionery
Cigars, cigarettes, tobaccos
Beer, alcoholic beverages, wines, etc.
Fruit juices
Alcoholic perfumes
Postcards, greeting cards
Comics and pulp magazines and plates for printing these
Paper specialties, wrapping and letterhead paper, etc.
Soap powders
China tableware, baths, etc.
Toilet articles
Electric appliances
Cooking or heating appliances
Radios, cameras, boats
House, office, store furniture
Clothing and wearing apparel, woven fabrics and textile manufactures
Musical instruments
Leather goods and garments
Paintings

Rises General Among Unlisteds

Gains were in the majority amongst the unlisted stocks during the past week, according to Plaxton, McDonnell & Co. Trading continued brisk.

Andian National gained ¾ point closing 23-23¾. B. C. Pulp & Paper Common gained ½ point at 12-13.

Brown Co. issues lost ground on the news of lower earnings—the 6% Preferred was quoted 37-39, off 3 points, the Common at $2-$2.50 was off ⅜ point.

Canadian Industries Ltd. "B" Common firmed 3 points closing 166-168. Canadian Industries 7% Preferred gained 1½ points at 168½ bid. Canadian General Investments advanced ½ point at 10¼-11. John Inglis lost ¼ point at 8¾-9¾.

Minnesota & Ontario Paper Common lost ¾ point closing $8-$8.75. Niagara Falls Loan & Savings, an inactive issue, was quoted 4¾-6, a gain of 1¼ points. Western Grain 6½% Preferred held last week's level at 39-42. Western Grain Common was quoted 85c-$1.30.

Inter-State Royalty Corp. has advised the Montreal Curb Market that as at May 31, 1943, the company's investments in oil royalties had a book value of $1.3 million. Gross revenue from royalty income to April 30 amounted to $538,482, and the reserve for depletion totalled $147,276 to the same date. In April the company had a gross income from royalty and rentals amounting to $2,531, while the accumulated income from the same sources for the year 1943 amounted to $9,288.

In Your Opinion –

What About Our Forest Industry?

The Question: From a long range viewpoint, what steps should Dominion and Provincial Governments take now to maintain a permanent forest industry?

R. E. Balch

Dominion Entomological Laboratory, Fredericton, N.B.

There should be a permanent system of air and ground surveys to determine the present stand on all forest lands.

Studies of growth and cutting methods are necessary to determine potential sustained yield under management. Protection of potential production from fire, insects, disease and improper cutting calls for an adequate trained staff and preparation of management plans for all accessible areas.

The development of stable diversified industries based on potential annual yields of forests, calls for co-operation between governments, industry and woodland owners to create machinery for continuous study of uses and markets and for co-ordination of forest management and industrial use of all its products.

* * *

Robson Black

Vice-President and Managing Director, Canadian Forestry Association, Montreal.

One of the first steps in maintaining a permanent forest industry is for the Dominion Government to accept a share of forest maintenance proportionate to its responsibility as a partner of the provinces. The Dominion now makes a relatively small investment in the protection and perpetuation of Canada's public-owned timberland assets, although Dominion funds flow generously to agriculture, mining and fisheries.

Forest industry must have wise and far-sighted co-operation of all governments in order to sustain and increase its national contribution in the wood-hungry world of tomorrow.

* * *

Hon. T. A. Crerar

Minister of Mines and Resources, Ottawa.

The interest shown in the conservation and development of forests and other natural resources by parliamentary committees and by committees appointed by the government indicates an appreciation of their value and ensures that enlightened efforts to make these resources serve our national needs will be applied. Limited only by the immediate demands of the war effort, every precaution should be taken now and until the war is over to protect our forest resources which, if protected and wisely used, can serve our people well both for present and future requirements. Their potentialities increase as the application of science develops new uses for wood day by day.

* * *

Robert L. Curran

Editor, Daily Star, Sault Ste. Marie, Ont.

There is no question that the two worst enemies of a permanent forest industry are fire and the careless lumber jobber who leaves only wreckage behind him. Without these menaces, lumbering can be prolonged almost indefinitely. Sweden, Norway and Finland give ample proof of this. A programme, to start immediately, of training men in reforestation and wood craft is vitally needed. A knowledge of reviving burned out areas, which probably will mean reviving dead soil and replanting, is needed before we can have the wealth of forests of bygone years.

Training men to inspect regularly the cutting of jobbers, to see that scrub is not left behind to hamper growth, and to assure as little damage to uncut trees as possible, is a necessity. While there is legislation now concerning this matter, it is not strong enough, nor is it rigidly imposed.

Ontario now has a department devoted to this work. If the department has a strong enough hand and does its work, a permanent forest industry is assured.

* * *

A. R. Fenwick

Secretary, Canadian Society of Forest Engineers, Toronto.

The first essential is sound public forest policy, for continuous supply of raw materials.

Industry will expect tenure security, and equity; must adopt forestry practice to assure a continuous supply of raw materials—it is cheaper in the long pull. Governments need a stable policy—permanence. Indirect returns dwarf treasury collections.

The Dominion Government has a big stake in forestry; must co-operate with provinces and assist financially.

Protection: Adequate protection from fire and disease is a primary requisite to progress in other directions.

Fire: Better detection by more towers and aircraft. Improved communication by more telephone lines and radio; transportation by permanent roads and stream improvements, more and better aircraft; suppression by best equipment, improved fire-fighting techniques, trained rangers; prevention by public education, prosecution, slash disposal, weather forecasting.

Insects and Disease: We must get into a practical protection stage. It is now treated as research problem. We must have protection by sanitary conditions of forest management, salvage diseased timber, parasite liberation, quarantine.

Management: Adopt systems of cropping forests for natural regeneration in perpetuity; orderly removal procedures, depending on scientific knowledge of life of trees in forest, e.g., clear cutting in successive strips or blocks, seed tree methods, selection, shelterwood.

* * *

R. C. Hosie

Associate Professor, Faculty of Forestry, University of Toronto.

To keep forests in a continuously productive condition, that a permanent forest industry be maintained, demands the adoption by the government concerned of a definite policy of forest cropping. This can be accomplished by placing the management of all forest lands under an organization of competent men empowered to administer all regulations necessary to provide adequate fire protection and to assure continuous crops of timber without political interference.

* * *

J. G. B. Harrison

President, Canadian Society of Forest Engineers, Ottawa.

Maintenance of permanent forest industries depends on the maintenance of our forest resources. A statement of forest policy recently accepted by the Canadian Society of Forest Engineers provides a basis from which detailed plans should be prepared for the management of forests in each individual region. Annual depletion in any region should not be permitted to exceed annual growth, except to meet urgent war needs. We urgently require better forest protection, more complete forest inventories, improved forest transportation facilities and more research in forestry and the uses of forest products. Plans for postwar promotion of trade in forest products should be formulated.

* * *

Karl K. Homuth

Member of Parliament, Preston, Ont.

Permanent forest industry cannot be maintained without close federal, provincial and municipal co-operation. Tens of thousands of acres of waste lands in southern Ontario are fit only for reforestation. Encouragement by subsidy and, if necessary, some compulsion, is necessary to reforest these lands. Careful harvesting of mature trees rather than indiscriminate slashing of forest resources, as has been done in the past, is very important. This will add to the cost, but will repay many times over in a long range scheme. The present great development of the Canadian Air Force for war can be utilized to great advantage in peacetime in providing national forest protection.

* * *

G. A. Hunter

Editor, Daily News, Prince Rupert, B.C.

From a long-range viewpoint, any ultimate crisis in the forest industry which it might be considered necessary to guard against will not be one of obtaining markets for lumber and other forest products. Demand for these products will always exist. It may safely be assumed that the crisis, if one ever does develop, might be expected to be one of supply of the desirable natural products that is suitable. Timber forestry experts have already warned us that the end of the supply of Douglas fir is already in sight. The islands and coastline of British Columbia are being likewise stripped of their Sitka spruce. In other words, the timber is being used up without the making of due provison for perpetuation of supply. The answer is simple enough. The utmost conservation of existing supply and a policy of reforestation is necessary to ensure a future supply.

* * *

John C. W. Irwin

Member, Dominion Executive, Canadian Society of Forest Engineers, Toronto.

Establishment of a permanent forest industry for Ontario requires a revolutionary change of attitude on the part of Provincial Governments. They must recognize that they are managers of a business for the people and that other than good honest business considerations must not be entertained in dealing with timber limits or in personnel policy.

Planning must be done for long periods ahead. This is difficult when a new minister of the Department of Lands and Forests who likely knows nothing about forestry may upset all the work of his predecessors and the permanent staff. I favor a non-political commission to administer forestry and the related resources of wild life game and fish.

Governments and people must recognize that the primary value of the forest is in furnishing an adequate livelihood for the optimum number of people. There should be no direct revenue from the forest taken into the general funds of the province while the forest continues to deteriorate and burn. The forest fire scourges must be eliminated. We are still fooling with it after 75 years. Large revenues in taxes accrue to both Provincial and Dominion Governments and to the railroads from the exploitation of the forest. The Dominion Government might well co-operate with Ontario for the welfare of its forests when Ontario shows that it is taking its forest administration seriously. Public spirited citizens and the press should take a more active interest in the perpetuation of this most important resource. Had they done so earlier much needless waste would have been avoided.

The above are my personal opinions.

* * *

F. Malcolm Knapp

Associate Professor, Department of Forestry, University of B. C., Vancouver, B.C.

In my opinion, the following Government steps are necessary to maintain a permanent forest industry. Improved fire protection, including the regulation of, and assistance to logging operators; continuation of resource and land use and growth surveys on a larger scale; co-operation with industry leading to better logging practices; closer utilization and improved methods of natural regeneration and growth; greatly increased nursery facilities for planting denuded areas by public and private interests; increased research in all phases of forestry from seed production to markets, including logging; methods of taxation; new uses; increased technical assistance to wood-lot owners; education of public in forestry matters—but the above is not necessarily in order of importance.

* * *

W. J. LeClair

Secretary-Manager, Canadian Lumbermen's Association, Ottawa.

A permanent Canadian forest industry depends on three factors. First, the perpetuation of an adequate forest crop; second, the provision of facilities for economic harvesting; and third, the maintenance of an efficient marketing organization.

Co-operation of Dominion and Provincial Governments in directing an adequate proportion of the public funds, which inevitably will be spent on postwar rehabilitation and reconstruction, to a program of forest conservation and improvement of timber harvesting conditions would materially take care of the first two factors.

The marketing agencies of the industry are in imminent danger of demoralization through restrictive wartime legislation, if such is conceived with a view to temporary expediency only. It ought to be a primary policy of the Dominion to study to retain intact the marketing agencies developed in peacetime. As owners of over 90% of the forest resources, it ought to be the primary duty of the provincial governments to scrutinize jealously all wartime regulations, in light of their possible interference with postwar marketing of the products of their forest lands.

* * *

F. D. Mulholland

Past President, Canadian Society of Forest Engineers, Victoria.

We must improve fire protection on permanent forest lands, and expand Dominion research on forestry and forest products. Encourage private forestry, substituting production tax for taxation on capital values and simplify forest regulations to make obligatory maintenance of the forest in a productive condition with professional forester management of all forest lands. Place responsibility on owners with authority decentralized in local boards representing owners and the Government. Provide farmers with free technical advice and demonstration of forests. For success, forestry must interest companies and a multitude of small growers. Since product prices are controlled by world markets, establish machinery for postwar co-operation in distribution with other exporting countries.

* * *

G. L. Miller

Chief Forester, Department of Lands and Mines, Fredericton, N.B.

Inteligent public interest in the wise use of our forest resources is the greatest immediate need in connection with forestry in Canada. This will lead to demands by the public, the owners of 90% of the forests, for necessary action to protect their forests and to manage them efficiently with a long-term view point.

Skilled men will be needed to plan and do the work. Plans should be made now to select and train keymen for work in surveys, protection, management and utilization of the forests. Plans can also be made for work that is needed so that action can be started as men and equipment are available.

* * *

C. D. Orchard

Chief Forester, Victoria, B.C.

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(Continued on page 10)

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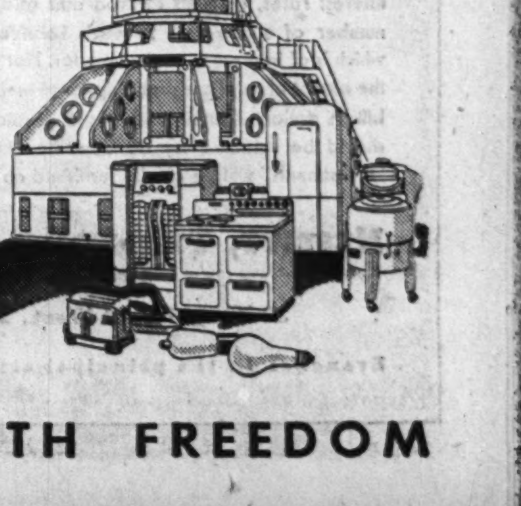

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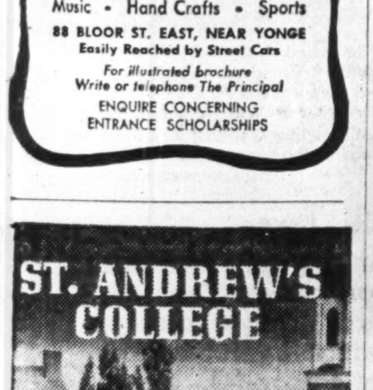

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Security Controls

Dominion Powers Over Share Selling Wide

Criminal Code, Dominion Companies' Act, Two Strong Guardians of Share Purchaser's Rights

Do you know what protection the law of this country provides when you purchase a stock? It is much more extensive than most people are aware — or remember.

In the first of a series of three articles, The Financial Post covers the Dominion legislation which affects the security selling field. Further articles will deal with the role of the provinces in securities control, while a third article will deal with the regulative functions of organized stock exchanges and of the Investment Dealers' Association.

By GORDON M. GRANT

Most Canadians know there is a body of law and regulations controlling sale of securities. But not very many, it would seem, have any clear idea of what that law provides.

In the main, regulation is controlled by both Dominion and provincial authorities. In this article, the control exercised by the Dominion authority will be outlined. A second article will show the controls exercised by the provincial authorities and a third article the controls exercised by organized stock exchanges, the Investment Dealers' Association, etc.

The main control exercised by the Dominion authority stems from the Dominion Criminal Code, which deals with fraud such as, written and verbal misrepresentations, misuse of the mails, misrepresentation in advertising, forging or uttering documents, etc. The Dominion Companies Act, the Dominion Immigration Act and the Extradition Treaty with the U. S. provide other important controls.

Controls provided under Dominion-sponsored legislation are summarized below.

Dominion Criminal Code:

Misrepresentation in the sale of securities is covered broadly in Section 414 of the Dominion Criminal Code which says in part:

"Every one is guilty of an indictable offense and liable to five years' imprisonment who, being a promoter, director, officer or manager of any body, corporation or company, either existing or intended to be formed, makes circulates, or publishes, or concurs in making, circulating or publishing any prospectus statement or account which he knows to be false in any material particular, with intent to induce persons, whether ascertained or not to become shareholders or partners, or with intent to deceive or defraud the members, shareholders or creditors, or any of them, whether ascertained or not, of such body corporate or company, or with intent to induce any person to entrust or advance any property to such body corporate or company or to enter into any security for the benefit thereof."

Use of the mails to defraud the investor is covered in Section 209 as follows:

"Every one is guilty of an indictable offense and liable to two years' imprisonment who posts for transmission or delivery by or through the post . . . any letter or circular concerning schemes devised or intended to deceive and defraud the public or for the purpose of obtaining money under false pretenses."

Speech or Telephone

The obtaining of any property by misrepresentation of an existing fact by word of mouth or by telephone calls is covered by sections 404 and 405 of the Criminal Code.

Misrepresentation of securities by advertisement is covered in the Criminal Code and an amendment proposed this session in Bill 107, which has received first reading, considerably strengthens hands of the authorities. As reported recently in The Financial Post, the amended regulation will be:

"Every person who publishes or causes to be published any advertisement for promoting either directly or indirectly the sale or disposal of any real or personal movable or immovable property or any interest therein or promoting any business or commercial interests which contains any statement purporting to be one of fact which is untrue, deceptive or misleading or which advertisement is intentionally so worded or arranged as to be deceptive or misleading shall be liable upon summary conviction to a fine not exceeding $200 or to six months' imprisonment or to both . . ."

Forging and Uttering

A stock salesman may be charged under a section of the Criminal Code which deals with forging and uttering. This is Section 413 which reads:

"Everyone is guilty of an indictable offence and liable to seven years' imprisonment who being a director, manager, officer, or member of any body corporate with intent to defraud,

(a) destroys, alters, mutilates or falsifies any book, paper, writing or valuable security, belonging to the body corporate or company; or

(b) makes or concurs in making, any false entry, or omits or concurs in omitting to enter any material particular, in any book of account or document."

Conspiracy and gaming in stocks by brokers and stock dealers are covered by other clauses:

Section 444: "Every one is guilty of an indictable offence and liable to seven years' imprisonment who conspires with any other person by deceit or falsehood or other fraudulent means, to defraud the public or any person, ascertained or unascertained, or to affect the public market price of stocks, shares, merchandise, or anything else publicly sold, whether such deceit or falsehood or other fraudulent means would or would not amount to a false pretense or hereintofore." (A misrepresentation with collusion as to the future could be prosecuted under this section, it is understood.)

Section 231: "Every one is guilty of an indictable offence and liable to five years' imprisonment, and to a fine of $500, who, with the intent to make gain or profit by the rise or fall in price of any stock of any incorporated or unincorporated company or undertaking, either in Canada or elsewhere . . .

(a) without the bona fide intention of acquiring any such shares . . . or of selling the same as the case may be, makes or signs, or authorizes to be made or signed, any contract or agreement, oral or written, purporting to be for the sale or purchase of any shares of stock . . . . or

(b) makes or signs, or authorizes to be made or signed, any contract or agreement, oral or written, purporting to be for the sale or purchase of any shares of stock . . . in respect of which no delivery of the thing sold or purchased is made or received, and without the bona fide intention to make or receive such delivery." (The burden of proving bona fide intention rests with the person charged under this section).

Section 231A: "Every person is guilty of an indictable offence and liable to seven years imprisonment, who, being an individual, or a member or employee of a partnership, or a director, officer or employee of a corporation, where he or the partnership, or corporation is employed as a broker by any customer to buy and carry upon margin any shares of any incorporated or unincorporated company or undertaking, either in Canada or elsewhere, thereafter sells or causes to be sold shares of such company or undertaking for any account in which he, or his firm or a partner thereof, or the corporation or a director thereof has a direct or indirect interest, if the effect of such sale shall otherwise than unintentionally be to reduce the amount of such shares in the hands of the brokers or under his control in the ordinary course of business below the amount of such shares which the broker should be carrying for all customers.

Dominion Companies Act:

Conditions under which shares of Dominion-incorporated companies may be offered for public subscription are set out quite clearly in the Dominion Companies Act, as amended in 1934. Important controls include:

Section 75, Clause 1: "The securities of the company (being financed) shall not be offered to the public for subscription by or on its behalf unless a prospectus in respect of these securities has been filed with the Secretary of State."

Section 77, Clause 1: "Every prospectus issued by or on behalf of company must state" estimated net proceeds to company of securities offered, the minimum amount of money needed for objectives, consideration paid for property, directors and their interests, the nature of all contracts entered into the previous two years, remuneration of directors, etc.

Liable for Compensation

Section 78, Clause 1: "Where a prospectus issued by or on behalf of a company invites persons to subscribe for securities, every person who is a director . . . promoter . . . and every person who has authorized the issue of the prospectus, shall be liable to pay compensation to all persons who subscribe for any securities of the company on the faith of the prospectus for the loss or damage they may have sustained by reason of any untrue statement therein . . ."

Section 75, Clause 2: "The company shall not accept any application in respect of any of its securities offered by or on its behalf to the public for subscription unless a copy of such prospectus has been delivered to the subscriber or applicant at least 24 hours prior to the acceptance of his subscription . . ."

Section 75, Clause 4: "It shall not be lawful for a company to issue any form or application for its securities which are offered by it or on its behalf to the public for subscription unless such form is issued with a prospectus in respect of these securities filed with the Secretary of State."

Section 96A, Clause 2: "No director of a company shall speculate, for his personal account, directly or indirectly, in the shares or other securities of the company of which he is a director."

Section 82, Clause 1: "It shall not be lawful for any person acting for or on behalf of a company to call at any residence for the purpose of offering securities of such company to the public or any member of the public for subscription."

Clause 2 of the same section declares that "call," as mentioned above, includes telephonic communication but that "public" does not include personal friends, business associates or customers with whom regular business has been done.

Very few companies, however, have been incorporated under the Dominion Companies Act in recent years. Perhaps 90% of all companies incorporated in recent years have had provincial charters; more companies have been incorporated with Ontario charters than Dominion charters. Provincial charters do not usually provide for the same degree of control over financing as Dominion charters.

Dominion Immigration Act:

Section 3, subsection (d), Dominion Immigration Act, has an indirect but important bearing on securities control. It bars from entry into Canada all persons who have been convicted of, or who have admitted, "moral terpitude." Moral terpitude is a very broad term covering any misdemeanor for which a conviction has been registered. And "conviction" may even be suspended sentence.

If an individual enters Canada without revealing a conviction, he becomes subject to deportation when the fact of a previous conviction is revealed. A fugitive from justice, however, will not be deported unless the charge represents an extraditable offense.

Extradition Treaty:

Extradition is a field where Dominion security control becomes a factor when dealings across the border are concerned. A new extradition treaty was proposed but not ratified by Ottawa some time ago but when certain objections were pointed out by the press, Investment Dealers Association, stock exchanges, etc., it was decided that still further changes would be necessary before it becomes operative.

Under the present treaty between the United States and Great Britain, which applies to Canada, a Canadian defrauded by a U.S. firm—or a U.S. citizen defrauded by a Canadian firm—can be brought to justice under one heading which covers a great many situations which might develop: "Obtaining money, valuable securities or other property by false pretenses."

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J. Blyth Taylor, for the past year special assistant in the Department of Finance, Ottawa, heads the newly organized firm of Taylor, Deale & Co. at 64 Wall St., New York, to specialize in Canadian Government, Provincial, Municipal and Corporate securities.

Company Reports

Brown Oil

Reduction of 45% in production by Brown Oil Corp. for the year ended March 31, 1943, is the result of cuts in allowable production as required by the Petroleum and Natural Gas Conservation Board, it is stated in the company's annual report.

The position of the company's wells, close to the gas cap, causes them to be more severely restricted than wells farther down the flank of Turner Valley, the report states. A net loss for the year of $3,630 was shown compared with $14,927 in the previous year. Reserves for recovery of development costs were increased by $58,817 in the latter year, but no provision was made in the latest fiscal period.

Attempting to increase production, the company has drilled Brown No. 6 well in conjunction with Federated Petroleums Ltd. and Calgary & Edmonton Corp. Brown Oil has a 50% interest in this enterprise which by last reports is testing about 300 bbl. daily. It also holds petroleum rights with the two above companies in two subdivisions, with the opportunity to participate to the extent of 37%. An unsuccessful drilling program costing $53,800, was entered into by Chinook Oils, in which Brown Oils has a substantial share.

Baroils, in which Brown Oils is also interested, is under agreement with Shell Exploration, Alberta, for the joint drilling of at least two wells, the first of which is already down below 10,500 ft.

Income, Surplus—Years Ended March 31

	1943	1942
Gross sales, oil & gas	$58,509	$126,506
Less: Royalties	15,306	33,084
Production exp. ...	15,871	25,868
Net oper. income ...	27,332	67,554
Add: Other income .	1,114	6,663
	28,446	74,217
Less: Salaries	1,800	1,800
Directors' fees	1,650	1,650
Taxes & lease rent	689	1,479
Other gen. exp. ...	2,297	2,430
Deb. interest	16,919	16,969
Depreciation	8,722	5,998
Res. for devel. cost	......	58,818
Net loss	3,631	14,927
Add: Prev. surplus ..	20,966	35,892
Inc. tax adj.	2,296	......
Surplus forward	19,631	20,965
Working capital	15,642	21,517

Model Oils

Report of Model Oils Ltd. for the year ended May 31, 1943, shows gross revenues holding substantially the same level as in 1942, but lower operating costs brought higher profits before allowing for taxes. Disposition of the company's interest in the rotary drilling rig and equipment are stated to have resulted in a profit of $16,421. Production from Model No. 1 well is stated to be continuing very satisfactorily, gross production being only some $4,000 less than in the previous year.

Income, Surplus, Years Ended May 31

	1943	1942
Oil sales	$44,272	$47,312
Investment income ..	48,022	46,044
Gross income	92,294	93,356
Less: Oper. exp.	20,278	32,218
Depreciation	26,578	24,300
Depletion	27,271	28,108
Profit to surplus	18,167	8,729
Add: Previous surplus	218,631	215,137
Sale of equipt.	21,957	1,808
Tax adust.	......	204
Depr. adjust.	......	400
Less: Dividends	29,865	......
Prior yr. taxes	1,434	5,844
Inc. & E.P. taxes ..	5,209	......
Invest. w/o	......	1,570
Loss on royalties ..	......	53
Surplus fwd.	222,247	218,631
Working capital	258,092	285,283

Inter. Hydro-Electric

A net loss of $10,870 was shown by International Hydro-Electric System for the quarter ended March 31, 1943, compared with $31,825 in the corresponding period of the previous year. The 12 months' period ended March 31, 1943, showed a net gain of $645,059 compared with a net loss of $859,889 in the corresponding 12 months of a year ago.

In his report, Irwin L. Moore, president, states that higher operating revenues have been almost entirely offset by higher costs for labor and supplies, and by increased provision for depreciation and the high cost of meeting maximum service demands.

The president states, "Cash income received by the System by way of interest and dividends on its investments in its subsidiaries continues to run below the amount required to meet operating expenses and pay full interest on its 6% debentures."

Consol. Income, Surplus Quarters Ended March 31

	1943 $	1942 $
Operating income	21,080,054	20,164,730
Other income	454,313	678,478
Total revenue	21,534,367	20,843,208
Less: Oper. exps.	8,096,950	7,194,958
Maintenance	1,007,783	889,082
Taxes	2,217,463	2,255,875
Depreciation	2,052,849	1,963,160
Debenture interest..	398,520	398,520
Int. on debt of subs.	2,417,392	2,496,519
Debt disc. & exp. ..	313,526	306,479
Divs. on subs. stocks	1,862,160	1,779,502
Acc. and unpd. divs. of subs.	595,103	477,834
Minor. int. in inc. of subs.	204,539	260,712
Credits against inc. of subs	19,583	19,927
Income & E.P.T. ..	2,559,369	2,832,465
Net deficit ,..........	10,870	31,825

Matachewan Consolidated

Net profits of Matachewan Consolidated Mines for the three months ended June 30, 1943 amounted to $39,732 compared with $63,598 in the corresponding period last year. No tax provision has been made since it is expected that special write-off arrangements will render tax liability negligible.

Estimated Earnings— Quarter Ended June 30

	1943	1942
Tons of ore milled ..	61,365	85,337
Gross revenue	$183,144	$262,731
Less: Devel. & oper. costs	144,138	199,633
Operating profit	39,006	63,098
Non-operating revenue	726	500
Net profit	39,732	63,598
Capital Expenditure		
Building & equip. ..	nil	1,635
Deferred devel. exp.	2,482	......

Clarendon Apts.

A surplus, after bond interest, of $3,571 for the six months ended May 31, 1943, was shown by Clarendon Apartments in statement of receipts and disbursements.

The company is in the hands of trustees for the bondholders. Bond interest was paid on account of the coupon due Dec. 15, 1934.

Receipts and Disbursements Six Months Ended

	May 31 1943	Nov. 30 1942
Rentals received	$19,545	$19,573
Less: Maint. & oper. ..	9,538	13,731
General & admin. ..	1,601	1,290
Equip. purchases ...	20	90
Net receipts	8,386	4,464
Less: Bond interest ..	4,815	6,018
Surplus for period ...	3,571	*1,554
Add: Prev. surplus ..	2,676	4,230
Balance on hand	6,247	2,676

*Deficit

Preston East Dome

Ore milled by Preston East Dome Mines amounted to 136,045 tons for the half year ending June 30, 1943, yielding a net profit of $404,586 after allowing for taxes. The company reports that, having entered the present abnormal period underdeveloped, it is confining its development operations to keeping as much ore in sight as is milled.

In connection with development work the report of D. G. H. Wright, consulting engineer, states that

"There remains to be developed somewhere between the limits of 60 and 75 per cent of the possible productive areas, above the present lowest level."

The report goes on to state:

"Recent work in the footwall zone and in the west porphyry mass is of outstanding importance. A large area of schisted altered keewatin lavas and tuffs surround another porphyry stock and lie between it and the Preston porphyry mass. The occurrences in this geological setting can be considered normal for the Porcupine camp. The mines' longest individual ore shoot to date has only recently been developed on the 12th level for a length of 482 ft. Ore intersections at or near the west porphyry-keewatin contact are presently being developed on the 9th level. D.D.H. 710 from the 13th level station disclosed 26 ft. of .23 oz. grade. Following this is a core length of 150 ft. of indicative values about 400 ft. below the collar level in the west porphyry. The foregoing results together with results on intermediate horizons offer development opportunities through to surface in this new ore zone.

"On the 8th level in the footwall of the Preston porphyry a narrow feldspar porphyry dike intrudes keewatin tuff and basic lavas. In quite recent development an orebody now 152 ft. long by about 20 ft. wide of average mine grade has been opened up. An interesting feature of the ore located in the west porphyry-greenstone area and tuff in the footwall area is that their main fractures are parallel to the main fracture system in the Preston porphyry mass.

"On the 5th level diamond drilling has shown that further better than average mine grade ore remains to be opened up above the 5th level."

Bullion recovery for the half-year period was $1,204,820, with an average recovery of $869 per ton. Total costs including taxes were $810,218 and sundry revenue $9,984, making a total profit for the period of $404,586.

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BRANCHES FROM COAST TO COAST

CANADIAN PACIFIC RAILWAY COMPANY

To the Holders of Twenty Year 4½% Collateral Trust Gold Bonds due September 1, 1946, of Canadian Pacific Railway Company.

NOTICE OF INTENTION TO REDEEM

NOTICE IS HEREBY GIVEN that Canadian Pacific Railway Company intends to redeem on September 1, 1943, all of the outstanding Bonds of the issue of Twenty Year 4½% Collateral Trust Gold Bonds issued under and secured by a Trust Agreement dated September 1, 1926, between the Company and The National City Bank of New York as Trustee, and maturing September 1, 1946, at the redemption price of one hundred and one-half Per Cent. (100.50%) of the principal amount thereof.

Holders of the Bonds are required to surrender them for redemption at the redemption price above mentioned on September 1, 1943, either at the Agency of the Bank of Montreal, 64 Wall Street, in the Borough of Manhattan, City and State of New York, or at the Office of the Bank of Montreal, either in the City of Montreal, Province of Quebec, or in the City of Toronto, Province of Ontario, at the holder's option.

Interest on the said Bonds shall cease on the specified redemption date, viz.: September 1, 1943.

Coupon Bonds surrendered for redemption must have attached thereto all interest coupons maturing subsequently to September 1, 1943. Fully Registered Bonds or Coupon Bonds which are registered as to principal must be accompanied by duly executed assignments or transfer powers. Coupons due September 1, 1943, should be presented for collection through the usual channels.

DATED at Montreal this 30th day of June, 1943.

CANADIAN PACIFIC RAILWAY COMPANY,
By: F. BRAMLEY,
Secretary.

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Canadian Glamour Gals

Maybe you didn't know it but New York's fabulous Broadway has been shouting encores for a new crop of Canadian beauties who have taken it by storm. Lois Maxon tells the intimate stories of these girls who appear headed for fame and fortune.

◆ Destroy Prussianism

"Divide Germany," says Emil Ludwig, "or our grandchildren will surely fight a Third World War." Prussian barbarism must be isolated and thoroughly broken if civilization is to survive. Read this famous author's solution to the German problem.

◆ What's Your Allergy?

Hay fever sniffiers blame ragweed or Golden rod for their discomfort. But did you ever suspect the cat, or your wife's face powder as the cause of these mysterious diseases? Dr. J. A. LaCroix tells about the many allergy diseases.

◆ Spain—Pattern for Fascist Rule

Those who wonder what Europe would be like if the enemy wins have only to look at Spain. Yet 95% of the people of Spain are turning to the United Nations. Thomas J. Hamilton, recently back from Spain, tells why.

Beverley Baxter . . . Your Vacation Problem . . . Across the Pacific in a Bomber . . . Backstage at Ottawa.

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Canada's National Magazine

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Today's Plans Mean New Mines After War--Dye

Dome Assistant General Manager Sees Action Program Necessary if Canada is to Have an Expanding Mining Industry when War is Over

Appropriate action taken now will result in bringing in a crop of new gold mines which will have reached the heavy development and early production stage in time to take up the slack which will develop some three or four years after demobilization, declared Robert E. Dye, Assistant General Manager, Dome Mines, at the annual meeting of the Ontario Mining Association, discussing Postwar Position of Gold Mining in Canada.

He went on to point out:

"In any search for new mines which will perpetuate the industry, it becomes obvious that the grade and quantity of ore found must, on over-all basis, be expected to pay for the search, the losses incidental to many unsuccessful searches, the unsuccessful as well as the successful development campaign and finally for the mining and milling of the ore eventually extracted.

Skill Improved

"It may be said that neither the government nor any single man or group of men can do anything about the gold content of the rock. Much can be done, however, and has been done about the skill displayed in the search for new ore or the bodies and in the development and extraction of any ore deposits which are found. This has tended vastly to increase ore supplies within our borders.

"Unfortunately there has been at work for some years past an opposing and effective force which has more than offset any scientific progress made in the industry. With the net result that the potential ore resources of the nation have steadily dwindled. Prompted by the urgent needs of the moment and without having due regard to the nature of the mining business and without a clear conception of the national advantages which would accrue from a healthy gold mining industry, taxes have been imposed to degrees which do not permit the gold mining industry to perpetuate itself. Quite obviously a mine which is equipped and operating will continue to function as long as any salvage value remains which may be recovered.

Taxes Deter New Enterprise

"Just as obviously, sufficiently high taxes will of necessity deter people from embarking upon any but the most attractive new mining ventures. The more attractive the mining venture must be to induce its development, the fewer the possibilities of the making of a discovery which will meet these requirements. The vital and national interest in the situation becomes obvious if one but keeps in mind the fact that each ton of ore mined and milled means the support of three Canadians in Canada for one day.

"I do not pretend to say what taxes the industry could stand and still survive. The question really is how big a gold mining industry does Canada want. In Canada there are many millions of tons of known gold-bearing rock which would be ore under more favorable conditions. There are many billions of tons of gold-bearing rock yet to be found, which would be found and mined too, under conditions which would make this rock, ore.

Can Help with Employment

"Following this war, Canada will be faced with the problem of providing civilian employment for all those now engaged in the Armed Services and for many thousands who are now producing the munitions of war This is a vital concern of the nation. There will, of course, be deferred civilian needs and reconstruction needs to help provide employment. Operating gold mines will readily absorb not only the men they have lost to the services, but some others due to the fact that they have so long operated while doing inadequate development work. These factors would be expected to put us back to perhaps a little better than the 1939 basis. Who would say that this is good enough for Canada? What we need to do is to plan now for work to take up the slack after these immediate tasks are done.

Sees Real Chance Ahead

"The big bet is not in the restoration of gold mining to a pre-war basis, but it is in the revival and the expansion of the gold mining industry. If conditions are made such that new gold mines are desirable, they can and will be found. If the decks are cleared now by relieving gold mining and the present unsupportable tax handicap, then Canada, with its vast mining history and with its diversification of industry, may confidently look forward to uniformity of employment which is the happy lot of very few nations.

"Appropriate action taken now will result in bringing in a crop of new gold mines which will have reached the heavy development in early production stage about exactly in time to take up the slack which will develop some three or four years after demobilization.

"If conditions are evolved under which gold mining may compete on an even basis with all industry, then gold mining will resume its place at the fly wheel to take up the slack during periods of unemployment and by the same token, it will have 'tougher sledding,' as is natural and proper in those periods when other activities become relatively more attractive to men.

"It is a natural function of gold mining to smooth off the peaks and fill the depressions in the matter of employment. Canada has within her borders the gold-bearing rock which could enable a nation to give full play to this benign influence."

Company Reports

Chesterville Larder

Reporting a net loss, before taxes, of $41,031 for the period Dec. 15, 1942 to June 30, 1943, Chesterville Larder Lake Gold Mining states that normal development work was curtailed during the period. Ore had to be taken from available stopes, and this resulted in lower grade mill feed. Company officials believe an improvement in grade will be shown for the rest of the year. Average daily tonnage, as required by wartime restrictions is 520 tons.

A crosscut is being run on the 1,625-ft. level to investigate an ore structure previously indicated by diamond drilling in long holes from the shaft station; these cut an ore body reported to be 45 ft. wide averaging 0.263 oz. per ton.

Operating Statement
Period Dec. 16, 1942 to June 30, 1943

Revenue: Bullion sales	$500,190
Investment income	293
	500,483
Less: Operating expenses	414,244
Operating profit	86,239
Less: Write-offs and deprec.	127,270
Net loss before taxes	41,031
Tons of Ore Milled	110,780
Recovery per Ton	$4.51

Sladen Malartic

Labor difficulties have necessitated drawing upon readily available but lower grade ores, R. R. Basserman, general manager of Sladen Malartic, states in his quarterly report.

"Because of a further deterioration in the quality of the labor available, coupled with abnormal absenteeism, the preparation of the higher grade stopes on the new lower levels is behind schedule. Consequently it was necessary, in an attempt to meet mill requirements, to draw upon the most readily available but lower grade stopes."

"As mentioned in the preceding quarterly report, mine development work is at a standstill. However, a geophysical survey of the northern claims has been completed and several anomalies of interest indicated. These anomalies warrant further investigation by diamond drilling," he states.

Operating Results

	2nd. Quar.	1st Quar.
Tons milled	60,144	63,319
Production	$185,014	$239,901
Oper. cost per ton	$2.94	$2.81
Operating profit	$6,492	$61,934
Net current assets	$573,934	$596,759

Viceroy Manufacturing

Net profits of $49,580 were earned by Viceroy Manufacturing during the year ended Feb. 28, 1943, compared with $80,368 the previous year. The former figure does not include $27,882 adjustment on previous wartime inventory reserve or $34,442 refundable under the excess profits tax.

The company paid no common dividends during the fiscal year, compared with $1 a share the previous year. It reduced its bond mortgage, however, by $125,000 and redeemed 3,250 preference shares and 65 funding rights. The company manufactures miscellaneous rubber products.

Income, Surplus—Years ended Feb. 28

	1943	1942
Operating profit	$638,913	$478,969
Add: Other income	2,403	318
Total earnings	641,316	479,287
Less: Exec. remun.	52,001	44,231
Directors' fees	800	800
Legal fees	1,541	2,687
Depreciation	244,864	189,457
Interest	21,582	24,297
Inc. & E. P. taxes	270,948	94,756
Wartime inv. res.	......	42,691
Net profit	49,580	80,368
Less: Pref. dividends	......	25,000
Common divids.	17,782	21,000
Int. income rts.	110	112
Surplus for year	31,688	34,256
Add: Prev. surplus	115,222	114,194
Tax adjustment	9,604	3,423
Refund. E.P.T.	34,442	......
Adj. wartime inv. res.	27,882	......
Less: Adj. of deprec.	11,447	17,191
Pref. shares red.	78,215	19,417
Inc. fund rts. red.	309	43
Earned surp. forwd.	128,867	115,222
Earned per share:		
Preferred	$4.79	$5.90
Paid	1.50	1.50
Common	$1.36	$2.37
Paid	nil	1.00
Working capital	$529,247	$503,356

Hiram Walker

Net profits of $1,847,671, or $2.37 per share, are shown for the quarter ended May 31, 1943, by Hiram Walker-Gooderham & Worts. In the corresponding period of 1942, net profit was $1,798,005, or $2.29 per share. Federal income taxes in the 1943 third quarter amounted to $1.9 millions, against $2.2 millions in the 1942 period.

For the nine months ended May 31, 1943, net profit was $6.7 millions, or $8.71 per share, as compared with $5.1 millions, or $6.40 per share, for the first nine months of 1942. Federal taxes for the 1943 period amounted to $9 millions, against $5.6 millions for the first nine months of 1942.

Dosco Furnace Is Blown In

With the new blast furnace reported blown in, Dominion Steel & Coal Corp. has completed the major part of its wartime expansion program to increase steel capacity by roughly 70%.

Other items yet to be completed include an ore beneficiation plant and a 700-ton mixer to cost in the neighborhood of $2 millions These items will raise capacity a further 60,000 tons to the 775,000 ton per annum objective.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—							
St. Catharines, Ont.	July	Wood, Gundy & Co.	3%	1-10 yr.	$40,092	102.83	2.50%
Dominion—							
Canada Treasury Bills	July		...	Oct. 15, '43	55,000,000	99.876	.497%
Pointe Claire, P.Q.	July	L. G. Beaubien & Co.	4%	1944-63	88,000	101.07	...
Saint John, N.B.	July	A. E. Ames & Co., Royal Bank, T. M. Bell & Co. 2¾%, 3%, 3¼,	3½%	1944-63	163,000	100.83	3.276%

DIRECTOR

Lieut.-Col. W. E. Phillips of Oshawa has been appointed a director of the Royal Bank of Canada. Col. Phillips is president of Duplate Safety Glass Co. of Canada, Ltd., Fiberglass Canada, Ltd., Research Enterprises, Ltd., Duplate Tool & Die, Ltd. He is a director of Massey-Harris Co., Steep Rock Iron Mines, Ltd., and the Trusts & Guarantee Co.

Pacific Mills Earnings Down

Newsprint Curtailments, Log and Labor Shortage Reflected in Report

From Our Own Correspondent

VANCOUVER — Pacific Mills, Ltd., Canadian subsidiary of Crown Zellerbach Corp. and 93% owned by the parent company in San Francisco, contributed $804,523 to the firm's consolidated net profit of $7,543,287, according to the annual report issued last week. The Canadian contribution compares with $1,219,584 made the previous year.

Of the Canadian earnings $218,900 or 27% less a Canadian withholding tax of $32,800, was received by the company as dividends. The previous year it was 28%.

Directors attribute reduced operations and earnings to government controls and to shortages of certain materials and labor. However, the mills continue to operate on the average at above normal capacity, and earnings for the year were approximately three times the dividend requirements on the preferred stock and equal to $2.16 per share of the common stock.

A shortage of logs in the Pacific northwest proved a serious problem for the company. An embargo on pulp logs from B. C. to the company's American mills also contributed to the shortage and resulted in allocation of stocks in the Puget Sound area. The Canadian subsidiary was affected by the newsprint curtailment ordered by the Canadian Government.

While wages have been frozen in Canada for approximately two years, the report states, an increase was made at the B. C. plant during the contract year.

"The essentiality of paper products in the life of the nation under a war economy has become generally recognized and it is expected that the corporation will participate to the extent of its equitable share in supplying this need. A postwar planning committee has been established, charged with responsibility for developing a program to be undertaken at the conclusion of hostilities."

Market Opinions

Journal of Commerce, N.Y.—Character and duration of the transition period from war to peace will determine in large measure whether or not the end of the present conflict is likely to be marked by a considerable recession in stock prices. A sudden end of the war both in Europe and the Pacific, would bring a sharp reduction in industrial activity for a period of months and it is doubtful if stocks would be unaffected. Alternatively the wars in Europe and the Pacific might both drag on or the war in Europe could come to an end with the war in the Pacific carrying on for some time. Either of these latter situations would allow a more orderly transition from war to peace, it is believed.

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Financial World, N.Y. — There seems no adequate reason for a belief that stock prices on the average have yet seen their highs either for this year or for the period of the war. In fact, were an inflation-minded general public to become more equity conscious, the result could well be average levels greatly above those now prevailing.

The Shareholder

A definite tonic has been provided the stock market recently by the Sicilian invasion. The market has thrown off indecisiveness, which has characterized recent weeks of lull since Tunisia, to stage impressive gains both here and in New York, giving evidence that the underlying trend of the market is still upward.

Some commentators thought that international news had begun to lose some of its appeal as a favorable market factor, but the market performance of late hardly confirms this view. The Sicilian invasion, linked with failure of the Nazis to make headway in Russia, was enough this time at least to bring new buying into the market.

If, as most people seem to expect, further Allied victories are in the making, the question comes up as to how decisive a market factor continuing victories will prove. Certainly it would seem that an expected early end of the war would bring a greater degree of selectivity into the market. Peace stocks may well replace war stocks as market leaders in the later stages of the war. Postwar prospects are undoubtedly already being weighed by investors but it looks as if the full weight of this factor will be much more in evidence in the days ahead.

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Loans of the active member firms of the Toronto Stock Exchange increased $71,500 during June while the values of all listed stocks were rising $81 millions. With the increasing volume of transactions recorded during the last few months, President W. G. Malcolm thinks that, while the public are back in the stock market, they are not buying on margin.

"Brokers' loans on June 30 stood at $7,890,089," said Mr. Malcolm, "as compared with $7,818,560 a month ago and $8,255,110 a year ago. In the 12 months ended June 30 listed stocks appreciated approximately one and a quarter billion dollars in value."

In contrast with the small Toronto gain, however, speculative trading on the Montreal Stock Exchange and Montreal Curb Market was reflected in an advance in brokers' loans by $1.7 millions during June to a total of $8.6 millions. This is the highest figure reported by Montreal since April, 1940, and compares with $5.1 millions of June 30, 1942.

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A Victory Loan compilation of results from the first to the recent fourth loan shows that the number of subscriptions has been almost tripled, subscriptions per loan have almost doubled, and that the proportion of money coming from the general public has shown a definite tendency to increase.

The figures below tell the story:

Loan:	Subscriptions No.	Subscriptions $ millions	—Cash subscriptions— General & payroll canvass $ millions	Special names canvass $ millions
I	968,258	730.4	279.5	450.9
II	1,681,267	843.1	335.6	507.5
III	2,032,154	991.4	374.8	616.6
IV	2,669,111	1,309.9	529.6	779.3

• • •

A trend toward lower yields is seen by Greenshields & Co., Montreal brokerage firm, in its latest market letter. The letter points out:

"Rationing of some commodities, shortages in others and virtual elimination of automobiles and similar objects of expenditure are inevitably combining with this growing supply of dollars to direct an increasing flow of funds into the investment channels of the stock exchange," the letter declares. "As these factors will continue operative, perhaps in accelerating degree, until the war ends it is reasonably clear that quite aside from speculative movements investors must face the probability of steadily lowering yields. In May, 1942 the average yield from Canadian common stocks — Toronto Stock Exchange computation—was a substantial 7.53%. By July 9, 1943, it was down to 5.49%—a level which a year hence may look relatively high." If an era of bargain incomes has passed, the incomes still available for equities contrast so favorably with returns in a bond market which are the lowest in Canadian experience that these equity returns will continue to be a magnet for at least a portion of the increasing supply of dollars. This demand, it should be kept in mind, is converging on a market in which no new stock financing has been done for over four years and a market in which the floating supply of stock—stock speculatively held—is abnormally small. It is converging, too, on a market in which investors with substantial portfolios are showing no disposition to prefer cash to equities."

Net Sales of Securities Rise To $21.2 Millions in April

Net sales of securities by Canada to other countries reported in April were $21.2 millions compared with $13.4 millions in March and $15 millions in February. Net sales for the first quarter of 1943 amounted to $61 millions compared with $43.6 millions for the same period in 1942, the Dominion Bureau of Statistics reports.

Net sales to the United States have consistently run higher than net sales to all countries, the difference being made up by net purchases from the United Kingdom excluding official repatriation operations. During April net sales of Canadian stocks to the United States were higher than for many months though still small absolutely. The total April figure was exceptionally large due to transactions connected with the Fourth Victory Loan campaign in May.

Bond sales comprise the bulk of the transactions with the heaviest concentration on Dominion, provincial and Dominion-guaranteed issues. A breakdown of the net sales and purchases of securities between Canada and other countries is shown below:

Net Balances
(In millions of dollars)

	April, 1943 Sales	April, 1943 Purch.	To date, 1943 Sales	To date, 1943 Purch.
Total	21.2		61.0	
U. S.	21.7		62.4	
U. K.		0.4		2.0
Other		0.1	0.6	

Security transactions not included in these operations are redemption of called or matured Canadian bonds owned abroad and official repatriation transactions, and it must be remembered that for a period of years retirements of Canadian bonds owned outside of Canada have exceeded flotations of new issues abroad by substantial amounts.

Canadian Pacific Railway Co. reports an increase of $1.1 millions, or 22.4%, in gross earnings for the week ended July 14 as compared with the corresponding period of last year. Total in the latest week was $5.9 millions against $4.8 millions in the like 1942 week.

Steep R. Stock To Be Changed

Production Expected by Aug., 1944—Spur Line Complete By November

Extension of the voting trust agreement covering Steep Rock Iron Mines shares, and the establishment of $1 par value for the stock as against the previous no par value certificate, were agreed to unanimously at the special meeting of shareholders last week. General D. M. Hogarth, in the chair, stated that the voting trustees do not receive any remuneration for their duties, and pointed out that the change in par value will be of assistance to American holders of the stock. U. S. stock exchanges, he stated, levy higher transfer fees on no-par stock than on stock with par value of $1.

Predicting that the property would be in production by Aug., 1944, Col. G. G. Blackstock stated that the spur line from Atikokan was to be completed by November, at which time new pumps for the drainage project would also go into operation. Further details on progress given by Col. Blackstock follow:

There are 1,200 men and $1,250,000 worth of equipment now on the property. Machine shops have been built and staff houses are nearly done. Permanent construction ones are ready for operation. There are four construction camps fully equipped with machine shops.

The first drainage tunnel is complete and will be blown in in the next few days. It is 10 ft. by 12 ft. by 1,200 ft. long. A new river bed has been cut in the woods and is 200 ft. broad with dams constructed at Reed Lake Bay.

The Esker Cut has been constructed 2,000 ft. long and 200 ft. broad. Seventy per cent of Raft Lake has been pumped out and cuts will be 4,000 ft. long. Power line work is being completed.

At Steep Rock Lake there will be 14 24-inch pumps with 500 h.p. motors, on steel scows at the narrows. They will pump 300,000 gallons a minute.

Burry Acquisition Is Confirmed

Acquisition of the L. M. Peterson Co., Inc., Brooklyn, N.Y., by Burry Biscuit Corp., is confirmed officially to The Financial Post. The recently-acquired concern makes Swedish type milk wafers, canape cups, and canape wafers, and has increased the number of employees at the Peterson plant to about 100, nearly five times the number on the payroll a short while ago.

The Peterson company, which was established in 1900, will be directed by William Heitman, a Peterson executive for several years past, who has been named general manager.

May Consolidate Later

Acquisition of the Peterson concern will not affect the Elizabeth, N.J., part of the business at present, states George W. Burry, president, though he says there is a remote possibility that when sufficient space is available at Elizabeth the two plants may be consolidated there and the Brooklyn site abandoned.

Purchase of the Peterson business was the third expansion made in recent months by Burry Biscuit Corporation. The company opened a branch last November for packaging in Elizabeth, and late this spring acquired a building in East Orange, N.Y.; the latter plant is operated by a subsidiary.

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The Editorial Page . .

Will They be Proud of it?

There is no wartime problem in Canada more fraught with complications, more heavily loaded with dire potentialities than the Cape Breton coal mining situation with which Mr. Mitchell and Mr. Ilsley are now wrestling.

To the rest of Canada, it is quite apparent that the miners are dissatisfied with their pay, their working conditions, their living conditions, their prospects, their employers, even, on occasion, with the leaders they have elected to head their unions. They apparently do not like their wartime jobs, paying wartime taxes or, in some cases, being ordered to return to coal mining by National Selective Service.

While the vast majority of Canadian workers are putting up with wartime inconveniences and increasing production (Alberta coal production is higher, for example), the Cape Breton coal miners have steadily produced more labor unrest and less coal.

The problem of Cape Breton is not one that concerns solely the miners, their employers, or the Dominion Government departments that are attempting to solve it. It is a problem that concerns every citizen of Canada.

In the final analysis, it is the industries and consumers of Canada that are paying the coal miners' wages. It is the soldiers and sailors and airmen of Canada that are risking their lives to make life safe for the coal miners. The rest of Canada has no desire to exploit the miner, but it is tired of mollycoddling a group which still shows no inclination to carry its weight in the national effort.

Under the circumstances Ottawa is probably justified in making a special case of the Cape Breton miners. Coal we must have for the war effort and income tax concessions, as mooted, may be a neat way of purchasing miner co-operation.

But what a "badge of honor" the coal miners are getting for their war service! Soldiers' blood isn't bought. Thousands on the home fronts and in war industry don't measure the vigor of their efforts and their devotion to national duty by their rewards. Leaders of the Cape Breton miners however are apparently quite ready to have their men's place in the history of the war effort read: "They would not pull their weight in Great War II until given special concessions."

Moratorium Finished

Quebec's Moratorium Law, in existence since 1933, came to an end on July 1. The traditional relationship between mortgagor and mortgagee is restored and once again failure to meet capital or interest payments means foreclosure by judicial sale.

Mortgage moratorium legislation still continues in certain provinces but good arguments for retaining these special acts to meet special circumstances are today very hard to find, except of course for some consideration for members of the armed forces as extended in Ontario.

The vast majority of mortgagors will never be in better position to pay than now.

A Job We Can't Postpone

Blessed originally with a forest wealth equalled by few other countries, Canada is in danger of dissipating this heritage and bringing to an untimely end the whole fabric of industrial life that depends directly or indirectly on our forests for its existence.

There is no threat of sudden death facing our forest industries today—rather it is a case of gradually growing difficulties, higher costs, of continually moving into more remote areas in search of timber.

This week The Financial Post asked a representative group of qualified persons to suggest steps which our Dominion and Provincial Governments should take now to preserve our forests as a permanent industry. The replies, published on page 3, bring out certain fundamental facts. First of all is the urgent necessity of treating our forests as a self-perpetuating crop; of regarding our forests as a gigantic farm rather than as a mine with its wasting assets. Forests can readily be made self-perpetuating but it requires educated care and the co-operation of the owners of the forests—the State for the most part—and the public which exploits them.

Forests are subject to a few major menaces, among them fire, insect pests, plant diseases and unwise cutting. The first three require co-operation of the public and the regular services of a skilled, well-equipped forest service army. The third requires wise regulation and, in some cases, strict enforcement of adequate penalties on those who refuse to follow proper forestry methods.

The men queried this week, most of them particularly fitted to have wise views on the subject, advance a series of fair proposals. It is up to the governments of the provinces and of the Dominion, up to individual Canadians as well as to those who now have a direct stake in the welfare of our forests, to take immediate, effective action. Out of the replies published by The Post can readily be developed the basis of a forest policy that will remove the menace to this heritage.

Egon Glesinger, a forest economist of international reputation, writing in American Mercury, points out, that despite all that has been done on forest conservation, the world is still at a stage where a mere 27% of the wood content of our forests reaches the consumer in useful form. A full 73% becomes industrial waste or is burned wastefully as firewood.

Not Easy to Take

There is fairly acid criticism, at least implied, in the statement of the American Newspaper Publishers Association that Canada "has not up to now undertaken any planned pulpwood cutting drive as is under way in the United States."

In view of the fact that Canada's production of newsprint paper has declined no more than similar production has in the United States, despite this so called "planned cutting drive," the gibe from the official trade body of U. S. publishers doesn't go down too easily.

Canadian pulpwood operations have been slowed by lack of manpower. There has been shortage of shipping space. Power has been diverted to other war industries. But the Canadian industry has gone on supplying 70% of all the newsprint paper used by the press of the democratic countries and the publishers of no country dependent upon Canada for newsprint have been seriously handicapped in their task of maintaining a virile, free press.

Postwar Gold Mining

Canada's gold mining industry has great recuperative power and gold mine employment after the war will be "perhaps a little better than the 1939 basis," according to Robert E. Dye, assistant general manager, Dome Mines, speaking recently on "The Postwar Position of Gold Mining in Canada."

But particularly encouraging is his declaration that Canada has a splendid chance of getting a much larger gold mining industry—if the right action to create favorable growth conditions is taken at the right time. He said:

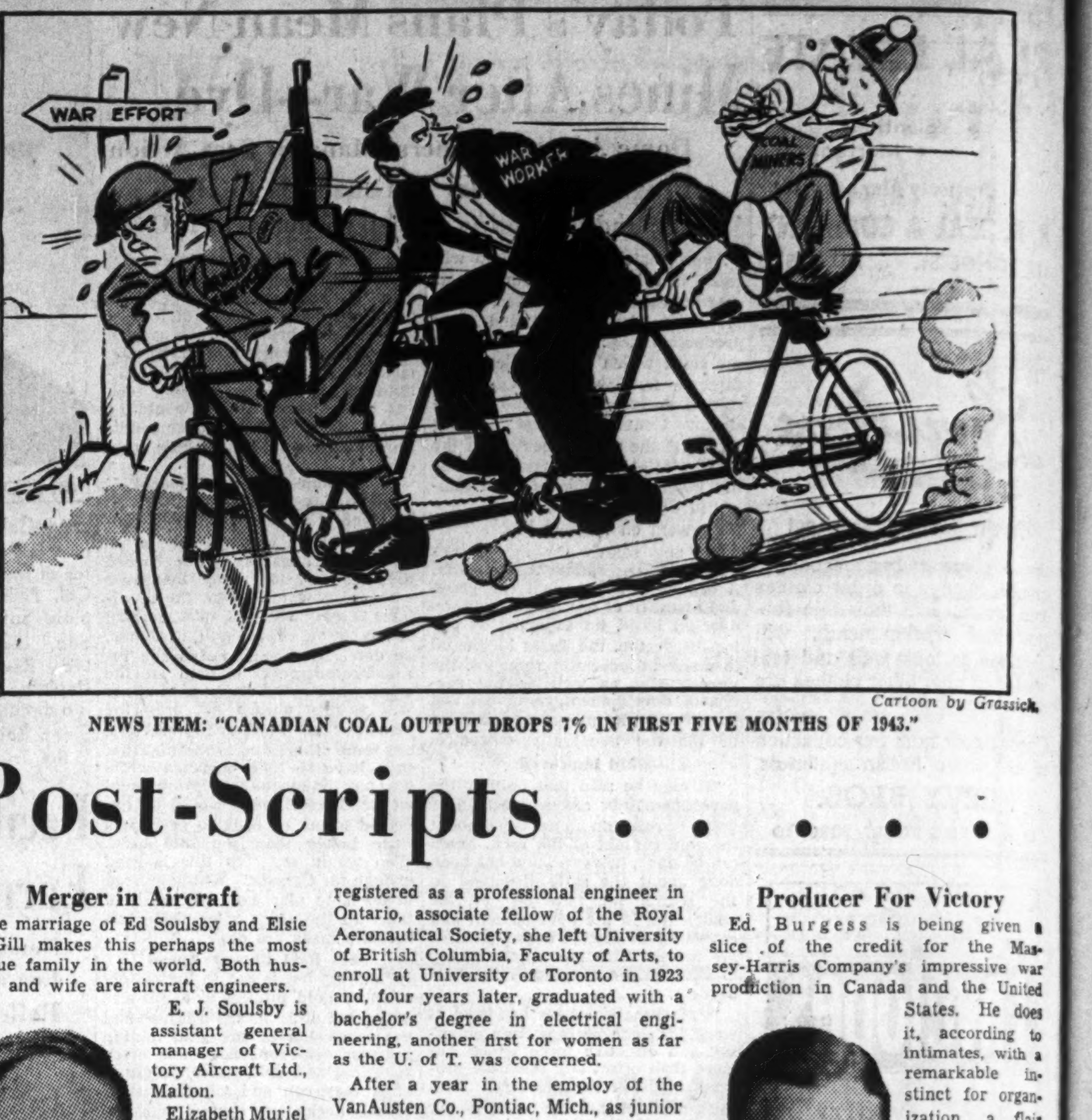
"Appropriate action taken now will result in bringing in a new crop of gold mines which will have reached the heavy development and early production stage about exactly in time to take up the slack which will develop some three or four years after demobilization."

Canada's gold mines were perhaps the biggest single factor in easing our national depression-time burdens. Wise policies and plans made now will repay abundantly.

No Place for Empty Seats

Twice a day between Vancouver and Victoria big planes fly almost empty of passengers, because under a ruling of the Transport Board, they are not permitted to handle local traffic. Every morning on the outskirts of Toronto, buses returning from chartered runs to outlying war factories, refuse to pick up would be, gasoline restricted passengers, who must wait for the regular overcrowded and much later bus. This sort of thing is probably going on all over Canada.

The peacetime object of such restrictions was to prevent unnecessary and wasteful competition. But times are not normal today. All over the Dominion there is a grave shortage of transportation and there is no risk of carriers going bankrupt for lack of business. To the average citizen, these empty return runs of regular chartered buses and these vacant seats on planes flying over the Gulf of Georgia looks foolish.



Cartoon by Grassick.

NEWS ITEM: "CANADIAN COAL OUTPUT DROPS 7% IN FIRST FIVE MONTHS OF 1943."

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Preparing Local Government for Postwar Task

Herewith is a highly condensed report of a brief prepared on behalf of the Canadian Federation of Mayors and Municipalities by George S. Mooney, executive secretary of that body. It is entitled, "The Role of the Municipalities in Postwar Rehabilitation and Reconstruction."

During wartime, municipalities should: curtail expenditures, maintain tax rates and use surpluses for debt reduction.

Provincial governments should grant municipalities power to build up reserve funds for postwar work. Only Ontario and Nova Scotia permit this now.

Real property tax as basis of municipal revenues is now quite inadequate and undesirable. Recommended for consideration as new basis for revenue are the following:

Occupier Tax, a tax on rentals paid by the occupant, hence a charge in proportion to current income. Unused property would be exempt.

Crown property should carry its fair share of payment for municipal services. While B. N. A. act says no crown property is liable for taxation, there is no prohibition against federal or provincial governments paying a "service charge" hence they should voluntarily pay an amount about equal to normal tax as in Great Britain.

Provinces might share certain tax revenues with the municipalities, e.g., gasoline, liquor, autos.

Dominion might provide a special non-negotiable bond, redeemable after war for investment of local surplus fund.

Many municipal authorities think they should be relieved of education costs; that this tax burden should be equalized throughout province or, some say, nationally.

Changes in municipal position are needed.

Municipalities lack enough power in connection with control and use of land resulting in present disorderly urban growth, contributing to blight and making regional planning and zoning difficult or impossible. Local governments should be able to hold, condemn and otherwise deal in land for planning purposes.

Some means whereby separate local governments in contiguous areas can co-operate on matters of mutual concern is needed. This would permit planning on metropolitan scale, spreading and equalizing cost of metropolitan services and co-ordinating education, police, fire, health services; park and parkway systems.

The fullest possible measure of local financial and administrative autonomy must be maintained and present democratic processes of municipal government must be maintained and strengthened.

The postwar years will likely divide into three periods: 1. A short period of readjustment. 2. One of intense industrial activity. 3. The long term job of sustained business.

A municipal public works program should be scheduled to go into effect immediately on cessation of hostilities and should be capable of being suspended during the second or boom period, then resumed during the third period. Thus both small and large public works, ones that can be put into operation swiftly as well as longer-term projects, are necessary.

Municipal finances are quite inadequate for the job. Federal government aid, both in loans and grants, will be needed. The federal government must declare itself on this at once. There is little point in urging municipal governments to line up postwar projects until they know what financial aid they can expect.

We are convinced that a full-scale attack on the housing problem is by all odds the ranking A-1 priority for the tasks of peace. An alarming and acute housing crisis has been developing in addition to the fact that housing conditions of Canadian people generally are far from satisfactory.

Universal experience, confirmed in Canada, testifies to the fact that unassisted private enterprise has been unable to provide decent housing for those of low incomes. A bold national policy should be adopted for rehousing of low income groups at acceptable minimum standards as a co-operative undertaking among federal, provincial and local governments and private enterprise. Federal help on housing should come in loans to individuals and to municipalities.

Municipal authorities should consider reduction of rate of taxation on buildings and corresponding increase of tax on land to lower tax burden on home-owners and stimulate rehabilitation of blighted areas and slums.

The rapid and unplanned growth of urban communities has led to their premature obsolescence and physical decline. Most Canadian cities and many of smaller towns are suffering from a cancerous rot at their very core. Here—in its finest sense—the rebuilding and reconstruction of our urban communities is that "moral equivalent of war" which our social philosophers say we must find to save civilization from a headlong plunge into chaos and despair. We must tackle these problems in the spirit of a crusade.

Other People's Views . . . . . .

The Canadian Editorial of the Week

What Bren Enquiry Accomplished

Edmonton Journal

Premier Nixon of Ontario has shown poor judgment in bringing up the Bren gun enquiry in trying to discredit provincial Progressive Conservative leader, Lieut.-Col. Drew. The latter made the charges in 1938 which led to the investigation of the original contract for the manufacturer of these guns. The premier has claimed that their only result was to delay the war effort.

Nothing could be clearer than that they were the means of putting the Dominion in a much better position to do its part in meeting the Hitler challenge which came the next year. The upshot was that new contracts which were a great improvement from the public standpoint on the old arrangements, were entered into. A defense purchasing board, independent of the defense department, was set up in the spring of 1939 in accordance with the recommendation of the judge who was commissioned to look into the matter. It was provided that profits were to be limited to 5% on the capital employed, in cases where public tenders were not called.

Before long the work of the board was taken over by the department of munitions and supply. It has performed its enormous task in a way that has won the admiration and confidence of Canadians to a unique degree. The criticism which it has had to meet has been small in comparison with that to which most other branches of the government, on which large wartime responsibilities have rested, have been subjected. But that it would have been brought into existence as soon as it was or that the same efficiency and the same protection of the public interests would have been assured, if there had been no Bren enquiry, is altogether unlikely.

Little disposition has been shown of late to keep alive the controversy to which these charges gave rise, Mr. Nixon, however, has made it necessary to refer to them again and to show how fortunate it is that they were made by Lieut.-Colonel Drew. The Winnipeg Free Press spoke for the overwhelming majority of Canadians when in Jan., 1941, it reviewed "the Bren gun episode," which it described as having been ended by the replacing of the original contract and declared that that contract's 'highly profitable character" was never seriously disputed and that none of the attempts to justify it were convincing. This strongly Liberal newspaper went on to say that "the excesses of vituperation by the men who put through this contract and the smart police court stratagems of the members who blocked action look strange today." After passage of two and a half years they do not appear any less so.

As Others See Us . .

More Hindrance Than Help

(Listowel Banner)

The Financial Post, Canada's leading financial paper, is of the opinion that the dumping of unskilled labor on the farmer will not solve the critical condition that confronts the farmer today, as farming is an industry that requires trained labor. With this viewpoint we heartily agree, and on previous occasions we have stated that farmers and farmers' sons now employed in factory work should be brought back for farm work.

Last fall when university students were sent to help with the harvest in western Canada the scheme was a flop, as many of the students, while willing enough, were unable to stand up to the strenuous work. Unskilled labor on the farm is more of a detriment than a help to the farmer.

• • •

Give and Take

St. John Telegraph Journal

The Financial Post says that "merchants with an eye to the future have an excellent chance to build up customer goodwill in these days of shopping troubles. On the other hand, those store clerks and others who are taking advantage of the present sellers' market to 'lord it' over customers are storing up a lot of grief for retail business when the supply situation is reversed."

We are all in this together and must help one another in a spirit of comradely good temper. We have lived long in abundance and it is not easy to realize that we are now living in scarcity. Give-and-take and acceptance of the inevitable with a smile, plus mutual courtesy, will iron out present difficulties and build up future goodwill on both sides against the time when all will look back on today's little trouble—nothing like what many nations endure—with amusement we may not now be able to summon.

• • •

The Mail-box . .

Bond Plan

Don't you think it would be a good idea, in one of the last war loans, to devise some plan whereby one's war certificates could be turned in on a long-term war bond, with reasonable interest allowed and at the ratio of $500 or less in certificates to $500 or more cash, for a thousand-dollar bond.

Many working men have about $500 or more in small certificates and with the inducement of one bond, registered, and an interest cheque coming in twice a year, they would no doubt extend themselves to dig up the extra cash required to buy a bond.

And these kind of people are not turning back any bonds or certificates.

Certainly it is a better idea than selling $50 or 100 bonds at the monthly rate (as is being done in many organizations) only to have the bond turned in as soon as it is paid for.

My plan would bring in extra money and cost less.

H. MEAD.

Toronto.

• • •

Sayings of the Week

"Propaganda is that branch of the art of lying which merely deceives your friends without deceiving your enemies." —*Walter Lippmann.*

• • •

"We'll continue to struggle against German submarines as long as the war lasts. The menace isn't over by any means."—*Frank Knox, U. S. Secretary of the Navy.*

• • •

"Hitler has no chance of lasting through the war. The Germans will kick him out in an attempt to buy a compromise peace."—*Elmer Davis, Director, U. S. Office of War Information.*

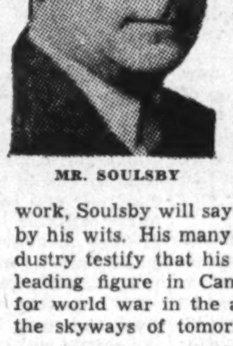
• • •

"Japan can be bombed into submission just as Pantelleria was bombed. As long as we fight along a surface strategy, with the weapons of land and sea, time is on the side of Japan. But when we decide to fight along the strategy of air power, then time is on our side."—*Maj. Alexander P. DeSeversky, author of "Victory Through Air Power," in a radio broadcast.*

Post-Scripts . . . . .

Merger in Aircraft

The marriage of Ed Soulsby and Elsie MacGill makes this perhaps the most unique family in the world. Both husband and wife are aircraft engineers.



MR. SOULSBY

E. J. Soulsby is assistant general manager of Victory Aircraft Ltd., Malton.

Elizabeth Muriel Gregory MacGill Soulsby is chief aeronautical engineer at the Canadian Car and Foundry aircraft plant at Fort William.

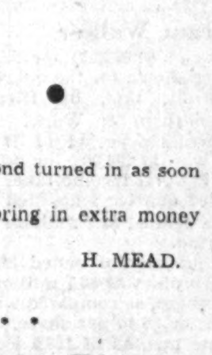
Soulsby is an outstanding production executive, keen, businesslike, whimsical. Of his work, Soulsby will say only that he lives by his wits. His many friends in the industry testify that his wits made him a leading figure in Canada's preparation for world war in the air and a place in the skyways of tomorrow.

Having been only little more than a year at Malton, where he is chief aide to manager David Boyd, Soulsby is better known at Montreal, where for some years he was with Fairchild Aircraft, Ltd., on the Bolingbroke twin-engine high speed bomber. Then he went to Fort William as works manager with Canadian Car & Foundry Co., where he made a noted contribution to Cancar's singular performance in Canadian production of the famed Hawker Hurricane.

He was born in England, educated at Leeds University and has been 20 years in Canada.

It was at the Fairchild works eight years ago that there befell the meeting of the producer and designer. They were married June 4 at Chicago. The little lady with the big name and bigger job has taken on another of each.

Like so many people doing high service for Canada, the work of the two Soulsbys keeps them apart. Mrs. Soulsby lives in her eight room house at Fort William, which she shares with a young nephew and some excellent paintings; Mr. Soulsby has his job at the largest aircraft plant in Canada, near Toronto.



MRS. SOULSBY

Mrs. Soulsby, 110 pounds of charming genius, left Fairchild in 1938 to join Canadian Car. Her father, J. H. MacGill, practices law in Vancouver, where her mother is judge of the juvenile court. She was born in Vancouver on March 27, 1905.

Only woman member of the Engineering Institute of Canada, only woman registered as a professional engineer in Ontario, associate fellow of the Royal Aeronautical Society, she left University of British Columbia, Faculty of Arts, to enroll at University of Toronto in 1923 and, four years later, graduated with a bachelor's degree in electrical engineering, another first for women as far as the U. of T. was concerned.

After a year in the employ of the VanAusten Co., Pontiac, Mich., as junior engineer at the age of 22, Elsie MacGill entered the University of Michigan for postgraduate work in aeronautics. It was there, in 1929, that she was stricken during the infantile paralysis epidemic. Writing her examinations in Ann Arbor hospital she took her master's degree in aeronautical engineering and spent the next three years in a wheel chair at home in Vancouver. She has required the aid of a cane since.

Then followed studies in air currents for her doctor's degree at Massachusetts Institute of Technology from 1932-34, and three years at Montreal, 1935-38, as assistant engineer with Fairchild Aircraft, where she is credited with outstanding work in stress analysis of wing and fuselage structure. Her paper on that subject won the Gzowski Medal of the EIC in 1941.

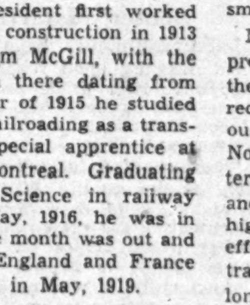
Assisted by a skeleton staff of 120 at Fort William in 1940, Dave Boyd, Ed Soulsby and Miss MacGill put the first Hurricane together from 3,600 blueprints after a hectic year of tooling-up and organizing.

Today, with more than 8,000 fellow workers at the lakehead, of whom over 1,500 are sisters, Elsie MacGill Soulsby continues to overcome obstacles and sweep aside taboos.

• • •

In Father's Footsteps

Like father like son might well be applied to Eric A. Leslie, who has just been appointed to the newly created position of vice-president and comptroller of the Canadian Pacific Railway. John Leslie, his father, was comptroller of the company from 1926 until 1928 when he became vice-president of finance and treasurer, a position he retained until his retirement in 1932.



MR. LESLIE

Forty-eight years old, Eric Leslie has been associated with the company for 30 years with his service record broken by attendance at McGill University on a Canadian Pacific scholarship and three years service overseas in the Great War, starting in May, 1916, after his graduation. He served as a lieutenant in the Canadian Artillery.

The new vice-president first worked for the company on construction in 1913 during vacation from McGill, with the scholarship he won there dating from 1912. In the summer of 1915 he studied another branch of railroading as a transportation student special apprentice at Angus Shops in Montreal. Graduating as a Bachelor of Science in railway transportation in May, 1916, he was in the Army before the month was out and served in Canada, England and France until demobilization in May, 1919.

Mr. Leslie's career with the Canadian Pacific has been tied in closely with the accounting department. After the war he was attached to the general manager's office in Montreal for about a year, and in 1921 was promoted to chief clerk to the superintendent, Toronto Terminals division. Four years later he became chief joint facilities accountant, auditor of disbursements, Montreal. Next step upward was as chief accountant of the joint facility bureau; assistant comptroller and then comptroller.

His broad knowledge of railway accounting led to his attendance as a railway officer at the sittings in Ottawa of the Royal Commission to enquire into railways and transportation in 1931-32, and he also travelled across Canada with the commission. In 1938 he took an active part in preparation of data on unification of Canadian railways for presentation to the Senate's special committee.

• • •

Stop Me If . . .

"Which would you advise me to marry, a brilliant woman, or a beautiful woman?"

"You wouldn't have a chance with either. A brilliant woman would know better, and a beautiful woman could do better."

Producer For Victory

Ed. Burgess is being given a slice of the credit for the Massey-Harris Company's impressive war production in Canada and the United States. He does it, according to intimates, with a remarkable instinct for organization, a flair for welding and galvanizing ponderous working forces, for infusing friendliness and enthusiasm into the essentially co-operative business of straightline production.

MR. BURGESS

Edward Garner Burgess, at 39, is in his 26th year with Massey-Harris. On loan since April to the parent company from the Massey-Harris organization in the United States, the dynamic young production executive is finishing a reorganization job, at the new Weston plant, doing wings for the Anson trainer and the famed Mosquito bomber. Sometime this fall Burgess likely will relinquish the post of acting manager of the company's aircraft division and will return to its Racine, Wis., army tank works.

There for five years he has maintained his home as a Canadian citizen on a work permit from Washington. It was in 1938 that he became general superintendent of Massey-Harris plants at Batavia, N.Y., and Racine, and in 1941 that he was made a director of the U. S. company and assistant general manager of the entire U. S. organization.

While back in his home town briefly, Ed. Burgess, Dorothy, his wife, and Joan, six-year-old daughter, have been living on Kingsway Boulevard, near the Humber River. A Torontonian by birth, Burgess is an Anglican and Mason; was for several years president of Denton Massey's York Bible Class and, in 1932, Master of Maple Leaf Lodge, A.F. & A.M.

He entered the Massey-Harris organization at the main Toronto works at the age of 14, just before the armistice of the first world war. After a sojourn in the saw shop he undertook a four-year apprenticeship in the tool room and, in 1923, at the age of 21 became foreman of the bolt shop. It was in 1929 that he became superintendent of production at the age of 27 and five years later that he was named superintendent of the main works of the company on King Street, Toronto. The transfer to the American field came in 1938.

He is unaffectedly friendly, a good storyteller and appreciative listener. In appearance he is dark, dapper, slender, smiling.

Massey-Harris' Racine production program for the M5 light tank, which the British call "the Honey," has been recognized by Washington as one of the outstanding organizational jobs of North American industry. Its characteristics have been wide subcontracting and effective integration, requiring a high degree of intensive management effort. As soon as they landed the contract they bought, right at Racine, the long, empty, million-square-foot Nash-Kelvinator plant and, within its bare four walls and roof, tooled up at a gallop for big scale production. They got the go-ahead in January of 1942 and by June of that year had the first M5's running off the line on their own power.

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Highway Transport

Truckers Seek Higher Rates

Ask WPTB to Sanction Adjustments Easing Wartime Load

By CLIVE H. CHATTOE

With truckers in other parts of Canada watching closely, the Automotive Transit Association of Ontario is appealing to the WPTB for an increase in rates and for restoration of trade discounts on tires, gasoline, etc.

Riding into the red on operating costs, Ontario's "for-hire" intercity motor freight carriers are represented as intent on relief, as fearing that their war service may be crippled by failing revenue and the squeeze against the price ceiling.

Over-all Picture

Back of the plea is a picture of rising costs, falling revenues, threatened impairment of service, a picture painted for ATA by chartered accountant, Donald R. MacQuarrie with the aid of revenue and expense figures from 23 representative firms, their 1940 position being taken as the base.

Costs are a compound headache for the carriers, with tires the chief element, truck hire and repair close to the top of the list, and claims, wages and gasoline also prominent.

The cost increase is out of all proportion to revenue gain reported for the period.

The following table shows how 16 firms have fared in this regard:

How Costs Rose

	Increase 16 firms Jan.-Apr. 1943 over 1940 %	Increase 23 firms 12 months 1942 over 1940 %
Tires, tire repairs	340.00	79.93
Hired trucks	222.22	88.50
Truck repairs	154.81	68.54
Cargo claims (uninsurable)	141.50	103.89
Wages	102.01	49.83
Gas, oil, grease	96.95	48.34
Insurance	88.64	68.68
Office, Admin. Salaries	67.44	29.59
Licenses, bridge tolls	52.08	24.41
Depreciation (vehicles)	47.84	25.15
Other expenses	43.55	35.48
(Revenue	66.84	40.85)

Precedent

The truckers cite the precedent, in service industries, of collective relief for the fruit and restaurant groups.

They are proceeding with their representations, through the Automotive Transport Association of Ontario, in the expectation, usually expressed without immoderate hope, that they will learn the fate of these before many weeks have passed.

For its part the WPTB authority is said to be prepared to give consideration to granting collective relief to the automotive transport industry if, in official estimation, further evidence of operating results demonstrates conclusively that such action is necessary, and if the problem can't be solved by specific relief to individual companies.

It is along the latter line that the administration has been proceeding in dealing with truckers' rate problems and the industry is represented as feeling that this is not only inadequate but also has had some disorganizing effect in regard to conditions of competition.

Revenue, Profits Down

Further trouble is in sight for the cost-plagued, war-busy haulers. Supply and manpower shortages, already acute, threaten to worsen.

A trend of revenue decline which began late last year is attributed chiefly to the tying up of irreplaceable equipment for ever-increasing repairs and to the continuously aggravated shortage of personnel.

Several carriers, it is stated, have found it necessary to curtail their operations. The Post is informed that one major firm in the Toronto area found the situation untenable, liquidated its business and withdrew from the industry at the beginning of 1943.

Claim is made that the industry is operating at a serious loss.

MacQuarrie's ATA calculations (on returns from 16 firms for the first four months in 1940 to 1943 inclusive) indicate that there has been a consistent decrease in profit since 1941 and finally a considerable loss in the 1943 period. This presentation of profit and loss account puts profit (before income tax) at 10.47% of revenue in 1940, at 11.17 in 1941 and at 5.17 in 1942, while, for 1943, loss is shown as 5.12%.

Another presentation (calculated on returns from 23 firms for the twelve months 1940-42 inclusive) puts 1940 profit before income tax at 9.45% of revenue as compared with 8.91% in 1941 and 4.91% in 1942.

(Tables of earnings, based on the returns and calculations mentioned in the foregoing, appear with this report.)

Second Brief

Apparently with some hope that the official mind is not made up, ATA, The Post is informed, is conducting a second survey among its 60 member carriers operating 10 or more pieces of equipment. This survey is to be based upon figures for the half-year to the end of June, instead of, as incorporated in the initial submission, the first four months to the end of April, for the years 1940-43 inclusive. It is understood that the second submission will be forwarded early in August to Services Administrator M. W. McCutcheon; the first went in on June 8.

"A large number of those utilizing truck services already are paying the proposed rates and, of course, won't be affected by a tariff adjustment such as the one suggested for collective application, ATA general manager, J. O. Goodman told The Post.

"Declaring that individual relief was ineffective and even harmful, Goodman contended that "uniformity of rates is essential to the industry from the point of view of orderly and fair competition within it, and it is also in the public interest."

To offset the industry's claimed 5½% loss position, ATA's 2-point plan has the objective of improving its earnings by 6% through WPTB authorization of rate adjustments and discount restorations.

On the first point, these would permit:

"(i) for-hire intercity motor freight carriers operating under Ontario public commercial vehicle licenses, to charge motor freight rates comparable to the railway competitive "pick-up and delivery" tariffs;

"(ii) the retention of rates presently in effect which are in excess of the tariffs mentioned in (i);

"(iii) mutual agreements between carriers and shippers providing for rates in excess of the tariffs mentioned in (i) where the special nature of the movement warrants."

With regard to discounts, the requested WPTB action would authorize:

"(i) immediate restoration of discounts on tires and tubes, eliminated by orders of the Controller of Supplies, and the adjustment of warranty to cover a period of 90 days from the commencement of service, rather than from date of delivery;

"(ii) immediate restoration of all commercial gasoline discounts eliminated by order of the Oil Controller, and immediate elimination of price differentials created by order of the Oil Controller;

"(iii) immediate restoration of all discounts on parts, equipment and supplies, eliminated by orders of the Motor Vehicles Controller."

It was stated that suggested tariff adjustments would increase revenue by about 4% and that suggested discount restoration would increase revenue by a further 2%.

Results to Date

Services Administrator M. W. McCutcheon is understood to have since advised ATA that the administration is optimistic that discounts on tires and tubes may be restored, and to have indicated that the development, if it came, would be immediate.

On the question of restoring discounts on automotive parts, equipment and supplies, the administration is said to be holding out no hope of immediate change but at the same time to be considering requiring garage operators to restore the discounts rather than leaving it to their option as at present.

With regard to commercial gasoline, the administration is said to have undertaken to discuss with the Oil Controller the question of eliminating the price differential. At the same time it is said to have indicated unwillingness to recommend restoration of discounts eliminated prior to the base period (Sept. 15 to Oct. 11, 1941) on the ground that the carriers' position in this respect has not changed since then.

Argument

Argument advanced in ATA's initial brief was to the effect that the requested relief was necessary to an essential service and that it involved no threat to the price ceiling, Goodman advises The Post.

"Freight rates are such an unimportant factor in the price of commodities generally moved by truck that any reasonable increase therein will have no effect upon inflation.

"Should services be curtailed, many shippers at present utilizing truck transportation and many communities solely served by trucks, would be confronted with chaos.

"It is a well known fact that the ability of the railways to handle additional traffic has been exhausted.

"Even were the railways in a position to accept traffic diverted from trucks, shippers would be faced with added packing requirements, many of which are in short supply, delivery delays, and other inconveniences which would have the effect of increasing distribution costs. In addition they would, generally speaking, have to pay higher freight rates.

"The relief recommended is the minimum necessary to meet current conditions. Unless there is definite improvement before the end of the year it may be necessary for the industry to seek further assistance.

"Although the recommendations in the submission are on behalf of carriers engaged in the transportation of freight, the cost increases referred to are naturally reflected in the financial position of every class of public commercial vehicle operator, and we anticipate that applications for permission to increase their earnings will soon be made."

Why Costs Increase

Most of the trade and commercial discounts customarily given the industry on tires, tubes, gasoline, replacement parts, equipment, etc., were removed or curtailed by suppliers on orders that had WPTB concurrence, the brief said in explanation of operating cost increases.

"Representative carriers inform us that loss of these discounts has increased operating costs by at least 2%."

On tires and tire repairs, which item showed the greatest increase in all expenses, major factors cited were elimination of all trade discounts, discontinuance of road hazard warranty, and inferior grade of tires.

"Carriers are compelled to pay a considerably higher price than that paid during the basic period for a definitely inferior grade of tire with a much lower guarantee."

Lack of replacement equipment was reported to have necessitated use of vehicles which normally would have been retired, and sharply increased maintenance expenses were claimed on this account. Other major factors cited were breakdowns and help shortages compelling the farming out of repair work to the automotive repair trade at costs claimed to be 100% higher than if handled in the carriers' own garages; elimination of trade discounts on parts "having the effect of increasing the cost of parts used by up to 40%"; inferior quality of parts; shortage of skilled mechanical help.

"Wages, the biggest item of operating expense, more than doubled in the four-month period of 1943 over 1940, as against a rise in revenue of 66.84%."

New and inexperienced help and wage increases were cited factors. Most carriers, it was set forth, had been compelled to raise wages up to their ceiling level, but the heaviest cost on wage account had been entailed in losses of personnel to the armed forces and war industry.

"The industry's normal peacetime personnel comprises principally young men . . . physically fit and peculiarly adapted to needs of mechanized forces. This resulted in enlistment of about 40% of its skilled workers while another 25% left to secure more lucrative jobs in war plants. Replacements, when available, have been of an inexperienced floating type. Not only has there been an enormous turnover, in some instances as high as 300%, but the type of new worker has been such that, in the main, carriers have had to employ three to do the work of two."

Schedules submitted in support of contentions in the brief indicated that gasoline purchases constitute the second largest item of operating expense. In the standard comparison period, four months, 1940-43, outlay for gasoline was stated to have increased 96.95%. Involved in the climb, it was said, were price increase of 36.96%, a remaining differential following restoration of only some of the discounts of 1940, and loss of mileage per gallon.

"Representative carriers report receiving one third less mileage from the wartime grades of gasoline than they did in 1940."

Truckers' Earnings Record

ESTIMATED PROFIT AND LOSS ACCOUNT, 23 COMPANIES

	1940		1941		1942	
	$000	Rev. %	$000	Rev. %	$000	Rev. %
Consolidated Revenue	$7,313	100.00	$9,733	100.00	$10,300	100.00
Less:						
Gas. Oil & Grease	1,055	14.43	1,489	15.30	1,565	15.20
Truck Repairs	623	8.52	925	9.50	1,050	10.20
Tires & Repairs	294	4.02	371	3.80	529	5.14
Wages	2,011	27.50	2,707	27.81	3,013	29.25
Office, Admin., Salaries	686	9.38	800	8.22	889	8.63
Insurance	265	3.62	337	3.46	447	4.34
Claims-Cargo	77	1.05	113	1.16	157	1.52
Licenses, Bridge Tolls	299	4.09	365	3.75	372	3.61
Depreciation (Vehicles)	501	6.85	632	6.50	627	6.09
Hired Trucks	87	1.19	241	2.48	164	1.59
Other Expenses	724	9.90	886	9.11	981	9.52
Profit—Before Income Tax	691	9.45	867	8.91	506	4.91

THREE MONTHS' EARNINGS, 16 COMPANIES

	1940		1941		1942		1943	
	$000	Rev. %	$000	Rev. %	$000	Rev. %	$000	Rev. %
Cons. rev.	$1,146	100.00	$1,674	100.00	$2,013	100.00	$1,912	100.00
Less:								
Gas, oil & grease	164	14.31	242	14.46	314	15.60	323	16.89
Truck repairs	104	9.08	163	9.74	209	10.38	265	13.86
Tires & rep.	25	2.18	52	3.10	112	5.56	110	5.75
Wages	298	26.00	451	26.94	569	28.27	602	31.49
Off., ad. sal.	129	11.25	168	10.04	195	9.69	216	11.29
Insurance	44	3.84	57	3.41	75	3.73	83	4.34
Claims — cargo	12	1.05	18	1.07	23	1.14	29	1.52
Licenses, bridge tolls	48	4.19	65	3.88	72	3.58	73	3.82
Depr. (vehicles)	69	6.02	90	5.38	110	5.46	102	5.33
Hired trucks	9	.79	36	2.15	44	2.19	29	1.52
Other expenses	124	10.82	145	8.66	186	9.23	178	9.31
Profit — before income tax	120	10.47	187	11.17	104	5.17	*98	*5.12

*Loss.

Production Index Turns Down in Last 2 Months

The volume of production in the last month or two has shown a significant change. After moving up for several years, it is apparent that the expansion has been checked. The Financial Post's index of the volume of production receded from 256.8 for May to 254.5 in June. The mining industry made an indifferent showing in the month under review. Gold receipts at the Mint recorded another decline. Recession was from 307,450 fine oz. to 298,416.

The dairy industry recorded advances less than normal for the season. The flour milling industry showed expansion before seasonal adjustment. The index for newsprint production advanced from 95 to 101. New business obtained by the construction industry showed a decline in June, the index receding from 94 to 72.5. The increase in the railway freight movement was from 283,831 cars to 297,851.

MAJOR ECONOMIC FACTORS

		June 1943	June 1942	Percentage Increase+ Decrease—	May 1943
F.P. Production	1935-39=100	254.5	211.8	+20.2	256.8
Bank deposits	1935-39=100	178.2	160.1	+11.3	171.0
Cost of living	1935-39=100	118.5	116.7	+ 1.5	118.1
Gold receipts at Mint	fine oz.	298,416	398,695	—25.2	307,450
Cheese, factory production	lb.	26,880,928	32,691,395	—17.8	14,312,443
Butter, creamery production	lb.	46,623,894	41,443,725	+12.5	32,005,798
Carloadings	No.	297,851	286,506	+ 4.0	283,831
Cotton consumption	lb.	15,175,814	14,970,262	+ 1.4	15,751,887
Newsprint production	tons	257,845	242,761	+ 6.2	254,046
Contracts awarded	$	20,478,700	46,756,200	—56.2	23,486,900
Slaughterings					
Hogs	No.	537,412	462,904	+16.1	584,462
Cattle and calves	No.	144,514	150,059	— 3.7	163,878
Sheep and lambs	No.	34,765	33,981	+ 2.3	29,095

The Week in Business

	June	May	Apr.	Mar.	Year Ago
Financial Post Production Index	....	259.2	257.3	252.4	208.0
•National income D.B.S. (c)	....	§752	§737	§725	....
•Dom. war expend. (million $)	256.3	272.2	136.9	....	214.3
•Dom. total revenue (do.)	198.8	205.1	177.8	....	115.5
•Dom. total expend. (do.)	322.0	325.0	169.5	....	422.9
Dept. store sales index no.	....	139.0	153.4	164.3	140.1
•Retail sales index no.	....	154.5	163.2	167.8	149.0
Wholesale sales index no.	....	163.3	163.8	173.4	158.7
Country store (% change pr. yr.)	....	+13.8	+14.5	+13.0	+11.7
Divd. payment index♦	123.5	122.7	122.0	122.1	121.8
Bank deposits (1935-39=100)	....	171.0	163.0	151.7	167.6
Cash and cheque pay. index	....	215.7	162.3	161.9	147.8
Bank debits (1935-39=100)	....	183.0	156.6	158.7	127.9
Money supply (c)	....	4,727	4,536	4,244	3,801
NEWSPRINT % OF CAPACITY—					
Production ratio	....	68.6	62.0	64.2	68.0
Shipment ratio	....	69.6	65.9	64.6	72.0
RAILWAY FREIGHT LOADINGS—					
•Tons (D.B.S. index)	214.5	190.8	201.6	202.3	188.1
•Cars (D.B.S. index)	147.0	142.5	144.1	143.7	141.4
COST OF LIVING—					
D.B.S. index	118.5	118.1	117.6	117.2	116.7
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	178.2	180.6	181.5	167.4
Manufacturing	....	222.9	224.3	223.4	202.3
Payrolls (June 1/41=100) (b)	....	139.8	144.3	143.2	123.8
Payroll index (a) (1937=100)	....	223	224	229	197
RAILWAYS—	1943	1942	1943 Jan 1 to date	1942	Change %
•Carloadings (week July 10)	66,091	66,789	1,760,474	1,766,356	—0.3
•C.P.R. gross (week July 14)	$ 5,923,000	4,838,000	147,899,000	130,698,000	+13.2
•C.N.R. gross rev. (June)	$ 39,260,000	31,789,000	210,484,000	169,415,000	+24.3
•C.N.R. net rev. (June)	$ 9,368,000	7,946,000	44,935,000	38,019,000	+18.2
C.P.R. gross rev. (May)	$ 24,205,061	21,522,075	111,533,314	99,788,426	+11.7
C.P.R. net rev. (May)	$ 4,313,413	4,233,560	16,781,725	17,773,718	—5.6
IRON AND STEEL—(May)—					
Pig iron production (tons)	154,746	171,386	719,900	806,039	—10.6
Steel production (tons)	271,737	272,247	1,259,652	1,305,075	—3.4
CONSTRUCTION—					
Contracts awarded (June)	$ 20,478,700	46,756,200	102,126,800	134,947,200	—24.3
Building permits (May)	$ 7,891,858	9,255,740	26,412,726	38,366,458	—31.2
Cement prod., bbls. (Apr.)	459,575	619,907	1,468,809	1,602,615	—8.3
AGRICULTURE—					
Flour prod., bbls. (May)	2,099,996	1,481,449	10,304,154	8,390,031	+22.8
Cattle sales▴ (June)	92,115	92,559	494,245	524,829	—5.7
‡Hog sales▴ (June)	485,655	425,530	3,183,279	3,147,709	+1.1
SEA FISHERIES—‡					
•Catch cwts. (May)	1,200,586	1,047,632	2,615,824	3,425,206	—23.6
•Landed value (May)	4,793,194	2,841,892	9,105,116	6,735,870	+35.1
NEWSPRINT—					
Production, tons (May)	254,046	251,831	1,185,825	1,415,512	—16.2
Exports, tons (May)	241,509	249,242	1,108,159	1,283,676	—13.7
MINING AND OILS—					
Coal prod., tons (May)	1,300,619	1,316,862	7,507,111	8,082,257	—7.1
Gold rec., (fine oz.) (May)	307,450	393,710	1,619,495	1,971,493	—17.8
Petroleum prod., brl. (Apr.)	837,072	846,574	3,338,939	3,491,258	—4.3
ELECTRIC POWER OUTPUT—(May)—					
Total monthly 1,000 kw.h.'s	3,502,819	3,174,764	16,269,363	15,569,184	+4.5
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. (May)	3,018,911	2,816,452	14,571,910	13,602,147	+7.1
Cotton consump., lb. (May)	15,751,887	17,064,741	80,339,205	84,656,640	—5.1
Cigarette cons., No.† (May)	907,139	771,478	4,766,022	3,848,212	+23.8
FINANCE—					
Bank debits† (May)	$ 5,423,711	3,790,964	21,117,778	17,824,665	+18.4
Bond sales† (May)	$ 111,195	92,341	1,689,523	1,723,015	—1.9
Life insurance sales (May)	$ 49,726,000	40,336,000	228,400,000	194,882,000	+17.2

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. †000 omitted. •Millions of dollars.
♦Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries. §Estimated.

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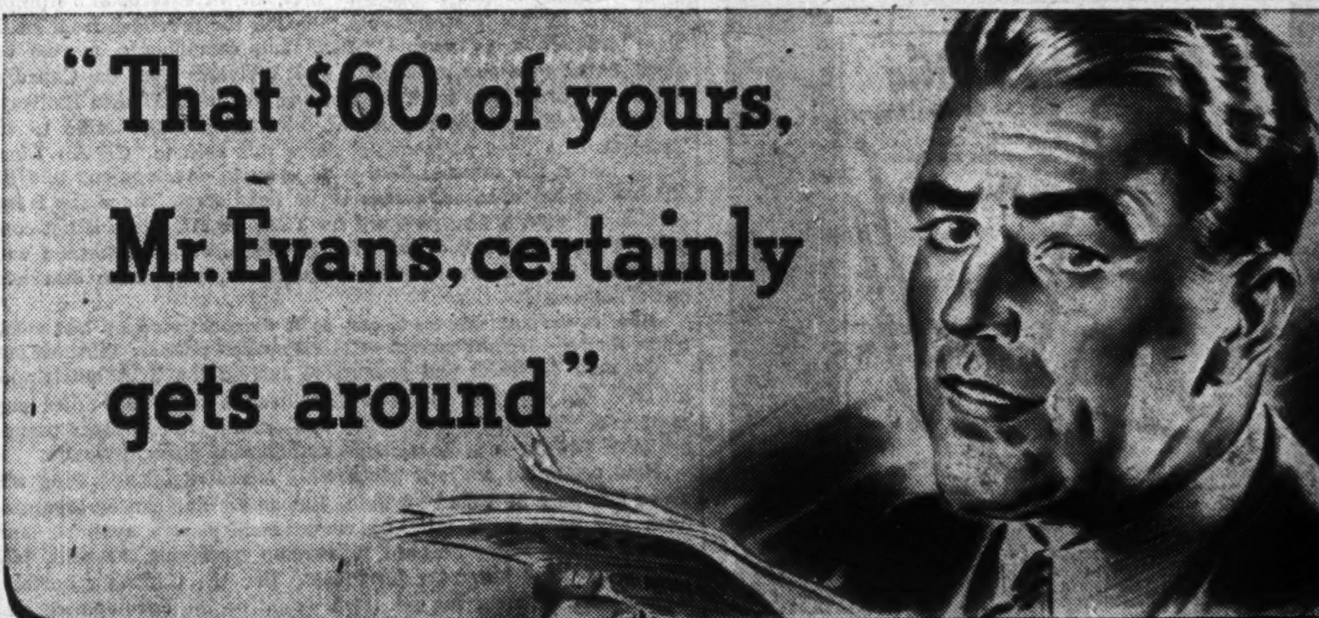

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YOU say, Mr. Evans, that you put about $60 a year into life insurance premiums.

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Here's the story, Mr. Evans.

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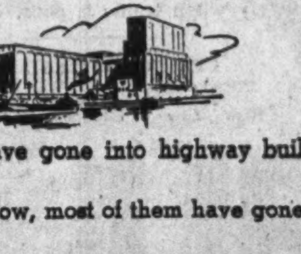

Some of them have gone into highway building on the Pacific Coast.

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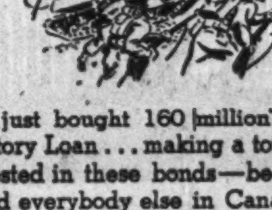
YOU also have a share in Victory, Mr. Evans.

Your insurance companies have put a large percentage of your premium dollars into Victory Bonds *for you.*



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Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

The Outlook for CPR

(Continued from page 1)

exclusive ownership of special types of natural resources, or is based on climatic differences.

In the long run, the fate of CPR as a railway will be inextricably intertwined with more liberal international trading policies. Most hopeful sign is the vital sponsorship of freer trade that has been given by the British and U. S. governments. How successful this combination will be is, of course, unpredictable at present. But with the reconstruction period likely to provide ample traffic for the railways, the question is not of immediate concern to today's investor. In the three or four years after victory, he will have to watch international developments keenly and critically. If we see the nations of the world beginning to think in terms of imports as well as exports, we can become optimistic.

Highways in Competition

With possibly a two-year or wider margin of postwar traffic insurance on an international scale, what will be the domestic outlook?

Between 1929 and 1939, the number of CPR's railway locomotives dropped from 2,288 to 1,760; freight cars from 94,360 to 73,903. In the same period the number of commercial motor vehicles in Canada increased from 155,820 to 236,902 and highway mileage increased from 381,977 miles to 497,707.

Net value of these changes is not as great as the crude figures tend to show. The smaller number of locomotives, for example, reflects the substitution of larger models with greater tractive power, and the CPR has been able to haul at least as great loads in wartime with this equipment as it did with the more plentiful but slower and less powerful machinery of the 1920's. Efficiency of the freight cars has also been increased both as a result of the increased speed of the engines, and in the more durable and efficient design of the cars themselves.

At the same time, the efficiency of motor transport has also greatly increased. Modern highway engineering was just getting a start at the outbreak of war; throughout the 1930's there has been a steady increase in the carrying capacity and efficiency of buses, trucks and highways.

Accurate measurement of the extent of highway competition is not possible, since detailed figures on highway traffic are lacking. But it is now fairly generally agreed that the difficulties of North American railroads during the 1930's were partially traceable to their failure to assess accurately the significance of highway competition in the previous decade. Had they done so, had it been possible for earnings to be devoted to debt reduction then, instead of to dividends, the railways would have been in a better position to deal with the competition and low traffic of the 1930's, and continue to pay dividends. This, of course, is hindsight.

The debate is still raging between railwaymen and motor transport men as to whether the highway carriers pay their full share of road costs or are "subsidized" by the gasoline taxes and license fees of pleasure motorists.

Although the answer to this question is of vital importance to the investor in either industry, no final decision has been reached, and for practical purposes the status of each group has been maintained. There is no guarantee that this status will continue, but the investor will stay on the safe side by assuming a cautious attitude.

Other Competitors

It should be borne in mind that highway competition was brisk throughout the 1920's, that gasoline and rubber shortages have not interfered substantially with essential trucking operations during the war. Yet in both periods, the activity of industry has been sufficient to provide ample traffic and ample earning power for both types of carrier. In other words, competition only proved damaging when traffic was scarce.

Competition from air lines, possibly from privately owned helicopters, cannot yet be taken seriously. Until airplanes discover a fuel or an engine that will make heavy loads economically practical, they will be restricted to long distance, high value and low weight freighting, to serving areas where a railroad would not pay, and to long distance passenger and mail haulage.

And the possibilities of increased competition from private automobiles are not of major importance. After a sort of "flush production" period during which long-distance motor travel became something of a sport, travellers were already beginning to return to the comforts of train travel before the outbreak of war.

The most serious type of competition is still on paper. For six months of the year, The St. Lawrence Waterway, if and when completed, would introduce ocean freighters to the richest area of CPR's hinterland along a route roughly paralleling that of the two Canadian railways.

Undoubtedly, the construction of the waterway would tend to reduce the CPR share of total carryings, although the railway has somewhat similar competition from lake vessels, but the opening of the interior of the continent to the ocean would have so many subsidiary influences that it might quite conceivably bring enough new traffic to compensate. In any event, the project would take years to construct, the CPR shareholders would have ample warning in advance, and the project itself would add to the railroad's traffic.

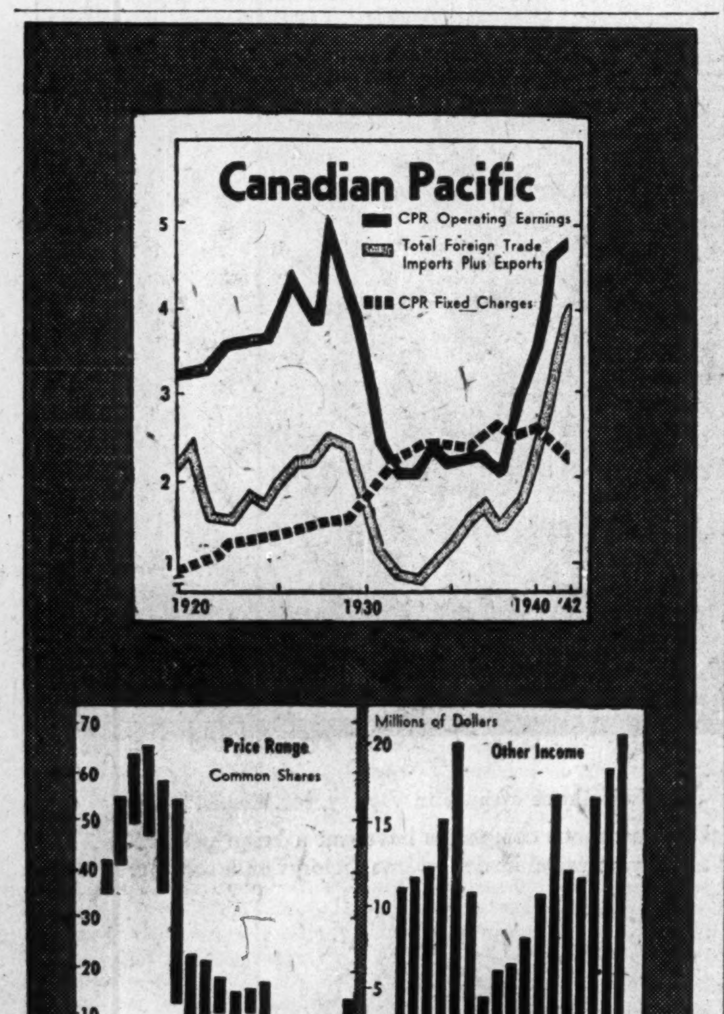

Chart at the top illustrates the basic problem of the Canadian Pacific Railway. Lower rates have meant smaller operating income, even when Canada's foreign trade returned to a normal level. At the same time, the fixed charges that have to come out of operating income have risen steadily until the last few years. Effect of this two-way pressure during depressed periods, when fixed charges exceeded operating earnings, explains why the railroad is anxious to reduce its debt and fixed charges rather than resume dividends prematurely. At the lower right is a secondary source of income from the company, the "other income" from hotels, investments, air lines, etc. While this has been important to the railroad, it is significant that the other income moves roughly parallel to rail earnings, cannot be relied on to compensate for low rail earnings. Stock price ranges in early years have been adjusted for share splits.

Fixed Charges Must be Cut

In case this enumeration of the competitive problems which will face the railways after the war appears unduly gloomy, it should be remembered that the directors of the CPR have been steadfastly refusing to distribute earnings in dividends, have been applying profits to reduction in debt. During three years of war, the railway has made debt reductions amounting to nearly $95 millions, leaving bond and equipment obligations of $143 millions outstanding at the end of 1942, on top of which rests $295 millions of consolidated debenture stock.

As a result, fixed charges of the railroad dropped back to $22.9 millions from the 1938 peak (including payment of guaranteed interest on the Minneapolis, St. Paul & Sault Ste. Marie Railway) of $26.8 millions. The total fixed charges of 1942 were roughly 50% higher than the $16.1 millions of 1929—roughly 100% higher than the $10.2 millions of 1919.

Significance of this growth in fixed charges can be gauged by the fact that had the fixed charges remained at the 1919 level, CPR would have been able to pay approximately 60 cents a share in dividends during the worst depression year (1932) instead of showing a loss of 39 cents a share.

Ideally, the objective of CPR policy should now be to reduce debts and fixed charges to the point where dividends can be resumed and continued even in the face of a repetition of the depressed conditions of 10 years ago. If, for example, it were possible to continue the rate of debt reduction shown in 1942 for five more years, the entire funded debt with the exception of the debenture stock could be redeemed with cash to spare. That would reduce fixed charges to the neighborhood of $12 millions annually and would improve the earning power of the common stock by roughly $1 a share, good times and bad.

The only alternative to redemption of debt would be a drastic cut in interest rates. If the CPR were able to borrow long-term funds at 1 or 2%, the same objective might be achieved. But the possibilities of lowering fixed charges by refunding are limited to the $143 millions of bonds and equipment obligations outstanding. There remains the hard core of $295 millions of perpetual debenture stock, costing the company 4% annually. It is true that this stock might be purchased as an investment by the company, but if interest rates moved to the low figure mentioned, the stock would move to a premium which would cancel any advantage in purchasing it.

This means that if fixed charges are to be reduced substantially the bulk of the reduction must come through plowing back profits into debt redemption. It is a difficult decision and with many investors in Canada and abroad clamoring for dividends, it may prove difficult for the management to pursue its present policy. This much is clear, the past record shows definitely that rising fixed charges broke the back of the railway earning power during the 1930's, and CPR common cannot regain its former investment stature until this drain on earning power is brought under control.

From operational standpoint, CPR is handling traffic considerably more efficiently than it did 15 years ago. The ratio of operating expenses (including higher taxes) to gross railway revenues has been stable at approximately 80% in spite of lower freight rates. Non-paying routes have been eliminated as far as possible and operating economies have been widely introduced. In the face of higher taxes, wages and material costs, the railway has been able to make substantially as large a profit on the revenue dollar as it did in 1929. Provided traffic can be secured and fixed charges held in bounds, CPR can earn as much for its shareholders as it did before the depression.

Other Income Sources

So far we have confined ourselves to the 75 cents of CPR's income that was derived from railway operations in 1942. What about the other 25 cents?

Last year this "other income" amounted to $15.9 millions. It compared with $13.4 millions in 1941; $10.7 millions in 1940; a depression low of $4.5 millions in 1932; and a pre-depression high of $20 millions in 1930. The 1930 figure includes certain non-recurring adjustments, and the figure for 1929 of $15.2 millions is probably more satisfactory.

Most of this highly fluctuating income comes from sources whose ups and downs will probably continue to move closely with the fortunes of the railway proper—hotels, steamships, dividends from Consolidated Mining & Smelting, revenues from telegraph and other departments. Closing of resort hotels this year will interrupt this normal correlation.

The remainder comes largely from "separately operated" properties, brought in $7.5 millions in 1942, an increase of $2.5 millions over 1941. In this is presumably included the revenues from armament production (Valentine tanks, tank components, marine engines, naval guns and mountings, etc), revenues from the Canadian Pacific Air Lines, and from the bustling Northern Alberta Railways.

Premier King's reservation of international air traffic to the Trans-Canada lines presumably closes this field to CP Air Lines, but it leaves the internal field wide open to development, and the CP has an immense advantage in its head start. Since the transcontinental field is also reserved for TCA, CP Air Lines is not competitive with that line or with the railroads, but is concerned with providing modern transportation facilities where these otherwise could not exist.

How important this trade can be is demonstrated by last year's traffic figures—freight carried—CP, 9.6 million pounds; TCA, 363,000.

On mail contracts and passengers carried the TCA outstripped the CPA, but the latter's present air routes are now 27,996 miles long, compared with TCA's 4,857 miles and embrace the greater part of northern Canada with its tremendous potential mineral wealth.

How profitable the new partnership between rail and wing will prove can only be tested by time. But an air line can be organized from any point on a rail line where facilities are available and, being flexible, might be used to develop traffic for the rails, possibly lead them into new territories. For the Canadian north, a logical third member for the team would be the development of a tractor transport system to haul freight that is too heavy for the planes into remote areas.

But even allowing for the maximum development of CPR's $4.7 millions investment, it can hardly be expected to produce more than five or ten cents of the income dollar for some years to come. The remaining 95 cents or so is tightly harnessed to general business activity and particularly to export-import trade.

For 1943, the first five months shows a rise of 11.8% in gross railway earnings, a rise in operating costs, due to abnormal weather, of 15.5% and a resultant drop in net earnings of 5.6%. The figures to date tend to corroborate President D. C. Coleman's prediction that 1943 earnings would be approximately equal to those of 1942.

Even with the assurance of another year of excellent earnings, and the strong probability that reconstruction will provide two or more years of high earnings after the war, CPR common remains a speculative security. Because of the heavy prior charges that have to be met, earnings on the common are subject to strong "leverage," rising almost perpendicularly in times of good traffic, drying up almost completely when traffic is poor.

CPR STATISTICAL RECORD

Year	Price Range Com. High	Price Range Com. Low	Other Income (Millions)	Net Profit ($ Millions)	Earns per Share (com.) $	Working Capital ($ Millions)
1943	12⅞	7½	...	...	...	...
1942	8⅝	6	20.7	40.4	2.63	59.6
1941	7⅛	4½	18.6	34.4	2.19	57.9
1940	8¼	4	16.7	20.1	1.13	50.3
1939	9⅛	3	12.0	9.8	0.35	48.7
1938	8¼	5	12.4	1.3	d0.32	36.8
1937	17½	7	16.8	9.5	0.30	40.4
1936	15⅞	10¾	10.8	6.0	0.04	40.5
1935	13¾	9⅝	8.1	2.8	d0.20	34.1
1934	18½	10½	6.7	6.5	0.07	36.3
1933	21⅝	9	6.2	2.7	d0.32	49.7
1932	22⅞	8¼	4.5	0.3	d0.39	38.5
1931	54¼	12¼	10.9	13.8	0.63	49.8
1930	58	35½	20.0	38.4	0.82	67.2
1929	66⅛	47	15.2	41.5	2.79	80.1

d—Deficit.

Fewer Workers Strike In May

While the number of strikes and lockouts recorded for May was higher than the previous month, both the number of workers involved and the time loss in man working days decreased sharply, being about 50% lower than in April, the Labor Gazette reports.

Figures for May show 39 strikes, involving 15,351 workers, with a time loss of 46,792 days, as compared with 37 strikes in April, with 30,526 workers involved and a time loss of 102,685 days. During May, 1942 there were 32 strikes, involving 6,904 workers, with a time loss of 18,047 days.

During the month three strikes, involving aircraft factory workers in Vancouver, motor vehicles factory workers at Hamilton and metal factory workers at Galt, accounted for about 55% of the workers involved and over 70% of the time loss.

Five strikes, involving 8,196 workers, were carried over from April, and 34 commenced during May. Of these 39 strikes, 5 resulted in favor of the workers, 13 in favor of the employers, 2 were compromise settlements, and 12 were indefinite in results, work being resumed pending final settlement of each dispute.

At the end of the month, therefore, there were 7 strikes reported as unterminated, namely, coal miners at Stellarton, N.S., fur workers at Toronto, fur factory workers at Point Aux Trembles, Que., fur factory workers at Quebec City, motor vehicles factory workers at Hamilton, metal factory workers at Galt, and machinists at Ville LaSalle, Que.

Offers Windsor Arms Preferred Shares

Former holders of 6½% bonds of Windsor Arms, recently called for redemption, are in receipt of an offer of 7% preferred shares from President W. A. Price. He declares that the preferred stock has an unbroken record and that fixed charges have been reduced by funding balance of the company's indebtedness at 5% interest.

Mr. Price reserves the right to refuse any application as the company has only 1,000 $100 par preferred shares outstanding and $25,000 of these changed hands recently.

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AMALGAMATED
ELECTRIC CORPORATION LIMITED

Consolidated Sand & Gravel showed a net profit of $27,821, or $4.41 a share for the fiscal year ended Mar. 31, 1943, which represents a reduction from the previous year's figure of $37,256 or $5.29 a share.

Operating profit for the year was $88,325 compared with $130,963 the year before. Working capital had also dropped to $247,995 from $283,506 at the previous year end. A decline in tonnage is indicated for current operations, and a reduction in taxation is necessary before shareholders can derive much benefit from operating profits, states J. F. M. Stewart, president. Real estate was purchased by the company adjacent to the Paris plant, ensuring a gravel deposit for a considerably longer period.

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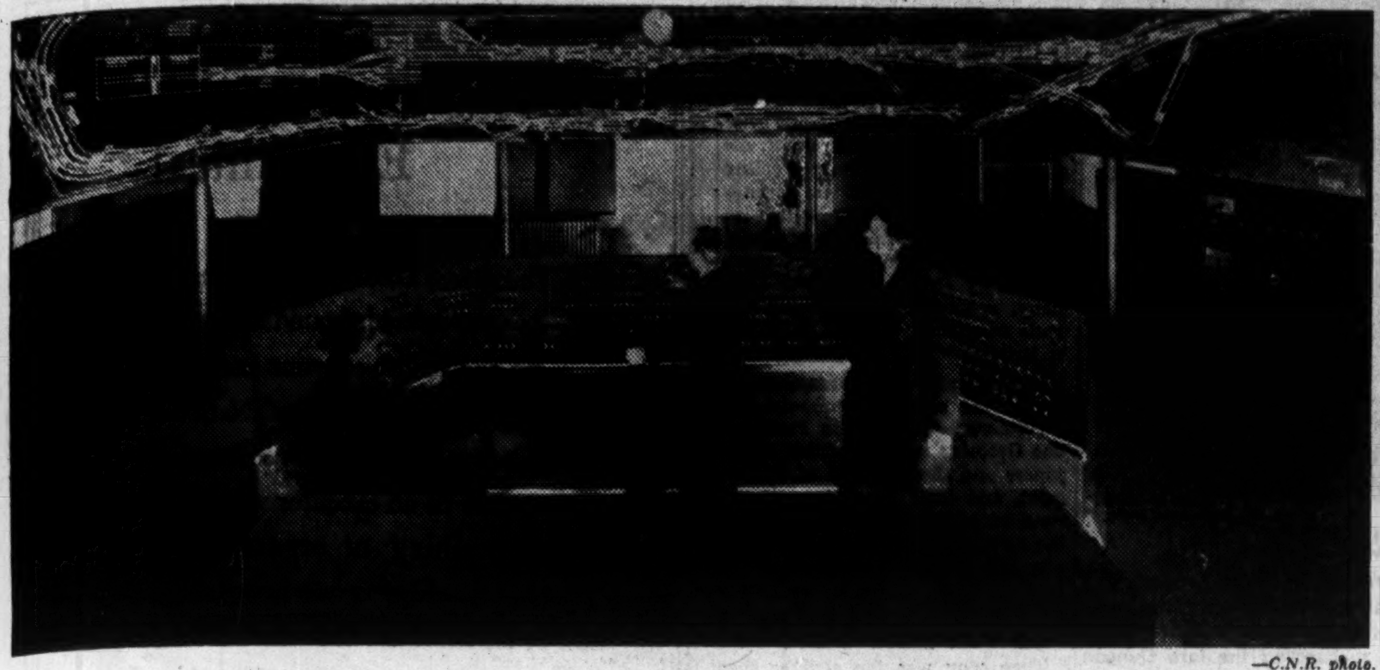

—C.N.R. photo.

When Canadian National Railways' new Central Station in Montreal was officially opened last week, this huge control board began to function very much as the brain controls the muscles of the human body. Its job is to record and electrically control all traffic. No train moves in or out of the new terminal without its knowledge and consent. Indicator lights show every move in the station's trackage from approximately 150 ft. inside the tunnel which runs under Mount Royal, to the 10th span of Victoria Bridge and Turcot Centre. Photo shows controller at his desk. Two assistants help him in the operation of 70 push buttons, 24 telephone line connections and 10 telegraph sets within reach. The wall diagram boards showing the station trackage are nearly 35 ft. long.

Central Ontario Institute

Goal is Better Relationships

Industrial Relations Group Explains Principles

Employers of 100,000 workers have joined the Central Ontario Industrial Relations Institute since it was established in March, according to J. C. Adams, K.C., general counsel of the organization. He said it is still growing "very rapidly" and was formed "in a sincere attempt to better industrial relations" through closer co-operation with labor.

"We believe it should be possible to demonstrate that both employers and employees have more to gain by co-operating with each other than by fostering a feeling that there is a perpetual conflict of interest between employer and employees, as we stated in a memorandum which the institute presented to the National War Labor Board," he says.

The institute is setting up a research department which will make comparisons of rates of pay, working conditions and hours within industrial groups, and will undertake basic studies for representations to national and regional war labor boards. It will also maintain a statistical analysis of the operation of collective bargaining agreements, tabulating the number of employee grievances, what cause them, how they are settled.

Headquarters Toronto

The institute has its headquarters in Toronto. Eligible for membership is "any person, firm, or corporation who is an employer engaged in any lawful trade, industry or profession or commercial enterprise anywhere in the province of Ontario.

Among the aims of the organization are:

To assist the members to adopt a sound industrial relations policy and to make such policy known to employees and to all members of supervisory staffs.

To encourage employers and others to acknowledge that employees are entitled to join or form any association or trade union whose objects and purposes are not anti-social.

To encourage employers to recognize and bargain collectively with their employees through the representatives freely chosen by such employees.

To assist the members in the negotiation and performance of collective bargaining agreements which are based on mutual interest in the success of the enterprise in which both the employer and his employees are engaged, and upon mutual recognition of, and respect for, the proper division of the responsibility and prerogatives of the respective parties to such agreement.

To assist the members in all matters pertaining to the observance of laws and regulations governing the working conditions of employees.

To assist the members in the establishment of proper safeguards and regulations for the protection of the health and safety of employees.

Membership Qualifications

To be eligible for membership in the institute, Mr. Adams said, an employer must agree:

1. To put into practice an industrial relations policy consistent with the general policy of the institute.
2. To consult the institute before making any major change in industrial relations policy.
3. To provide the institute with complete information from time to time on industrial relations policy, and to supply copies of all agreements made with employees.

Assistant manager of the institute is S. T. Garside, who was on the staff of National Selective Service, engaged in special assignments, while Elliott M. Little was director. Mr. Adams also has a background which has put him in close touch with labor relations. He was counsel for the Ontario Department of Labor and more recently chief executive officer of the Ontario Regional War Labor Board.

To date, one of the main functions of the institute has been to negotiate collective bargaining agreements for members whose plants were being organized.

By-law of the organization sets out that it shall be managed by a board of not more than 12 directors to be elected at a general meeting.

Membership charges are based on the number of workers employed by the member.

Mr. Adams likened the organization to the employers' federations in Great Britain and to those which existed in Norway before the German invasion.

These federations, with staffs who are posted on industrial relations problems, serve as an intermediary for employers in dealings with representatives of employees. They tend to standardize wages paid for the same job in different plants. In this, allowance is made for the fact that costs of living vary in different areas.

To some extent they serve employers in the same way that a union serves workers. They try, at the same time, to co-operate with unions, and lay emphasis on the point that employer and employee have common economic interests.

No Upper Canada Deal With Ontario Nickel

Press reports elsewhere to the effect that Upper Canada Mines would be interested in proposed new financing of Ontario Nickel Corp., if reorganization of that company is completed, are without foundation, The Financial Post is informed.

Under the actual proposal, Federal Trading & Agency Co. would purchase 500,000 shares of the new company for $100,000 if the reorganization is consummated. The proposed Ontario Nickel reorganization is on a one-for-five share exchange basis.

LEATHER SUBSTITUTE

To relieve scarcity of leather, soles of cotton fabric and suitable plastics have been made up, have passed laboratory tests and are being given field try-outs, the National Research Council (chemistry division) announces. These soles have the advantage of not being required to be stamped in rights and lefts since both surfaces are identical, it is stated.

WPB Director Goes To Massey-Harris

Massey-Harris announces appointment of J. M. ("Joe") Tucker as a senior executive of its United States division. He has been a prominent figure for 27 years in the implement industry of both U. S. and Canada.

J. M. TUCKER
—Milne Studios Photo

Since Sept. 1, 1942, "Joe" Tucker has been director of the Canadian Division of the War Production Board under Donald Nelson. His responsibility lay in implementing the Hyde Park agreement under which Canadian and American manufacturers are given equal access to markets for materials.

On the War Production Board since the day of Pearl Harbor, he was first in charge of priorities of the Farm Machinery Branch and later of priorities for all industries. Within six months he was appointed Donald Nelson's representative on the Board of Economic Warfare.

His record in the implement industry dates from 1914 when he joined the farm machinery company, Nichols & Shepard, getting a grounding in the various departments of the plant. In 1924 Tucker was made branch manager at Columbus, Ohio, and in 1929, on formation of the Oliver Farm Equipment Co. which took over the Nichols & Shepard Co., he became manager at Omaha, Neb.

In 1933 Tucker was appointed western division sales manager and in 1934 eastern division sales manager; then in 1935 he became vice-president and general sales manager, the position he held when he left to take up war duties for the American Government.

Social Issues Talks Planned

Expect World Charter to Develop Out of Montreal Conference

From Our Own Correspondent

MONTREAL.—A world charter of "Justice for the Common Man," is expected to develop out of the Social Security conference held here under the auspices of the International Labor Office. Hon. Ian Mackenzie, Minister of Pensions and National Health, was chairman of the meeting which was attended by Sir William Beveridge, author of the British report bearing his name; A. J. Altmeyer, Chairman of the U. S. Social Security Board; and representatives of New Zealand, Mexico, Cuba, Brazil, Chile, Peru and Ecuador.

It was the plan of the I.L.O., said the Minister, to extract from the transcripted discussions and conclusions of the meeting the basic elements of an "international charter of social security" for submission later to a conference of nations.

It was pointed out that steps have been taken to make surveys of how social security is functioning in Britain, the U. S., Canada, New Zealand, Mexico, Cuba and Brazil, and that the United Nations are pledged to fight want. The basic principles and techniques which delegates feel should apply internationally as well as domestically were threshed out.

The Minister revealed that the I.L.O. consultation had dealt chiefly with the basic factors in two main fields of social security—income maintenance and medical care. The discussions covered types of service, insurance principles, extent of public financial aid, types of hazard to be insured, rates of benefit, family needs, cost of living, assistance to children and universal health services.

Outline of Security

Mr. Mackenzie endorsed a recent outline of the international significance of social security submitted by A. J. Altmeyer. Main points are:

1. Social security in any one country benefits all others since it contributes to political stability, to economic well-being and thus to lasting peace.
2. Social security, by promoting a higher standard of living, tends to eliminate unfair international competition based upon low wages.
3. Higher standards of living and increased purchasing power stimulate international trade.
4. International co-operation can involve not merely exchange of ideas and of technical personnel, but should be extended to reciprocal agreements for protecting the worker if he moves from one country to another.

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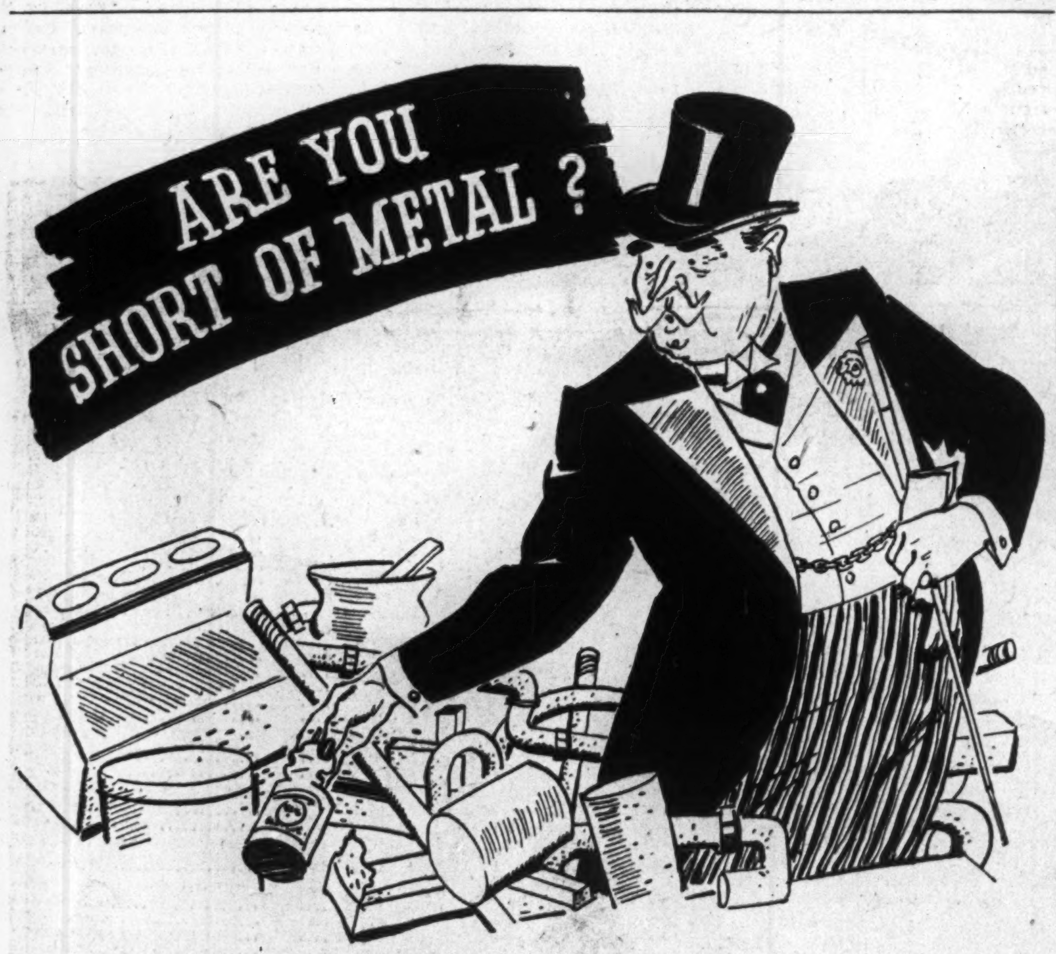
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Reliable Plastics is equipped with the most modern injection molding equipment, extensive designing and engineering department and tool room. War orders must, of course, be given first attention. But if you have any production problem that might be solved by custom molded plastic parts, consult with us.

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SOLVENCY OF ONTARIO THREATENED

Mr. Businessman—Can you approve Either of these Groups?

1. Progressive Conservatives advocating a return to the days of deficits and staggering debt?
2. C.C.F. advocating the Socialization of natural resources, industry, and finance — plunging Ontario into hopeless debt?

Or Mr. Businessman—Do you Prefer to Keep Ontario Solvent?

SOUND AND ABLE FINANCING

The business of the Province of Ontario now operates on a budget of $100,000,000.00 and expenditures have been met out of current revenue ever since the Liberals took over the management.

The deficit of $30,000,000 that marked the last year of Conservative administration would become fifty millions, according to estimates on the present election promises of the Progressive Conservative party.

Last year the surplus was $15,000,000 on Ordinary Account alone and the net debt was reduced by another $11,000,000.00.

THAT'S KEEPING ONTARIO SOLVENT

In addition there was an average over the past eight years of $9,000,000.00 a year of actual financial benefits to the municipalities through subsidies, and the provincial assumption of the municipalities' share of King's Highways, Mothers' Allowances, etc.

SOLVENCY OF THE MUNICIPALITIES RESTORED

By 1934, scores of Ontario Municipalities were in dire financial straits —38 of them bankrupt . . . $108,000,000.00 in default, or over a fifth of the entire municipal debt . . . due partly to the depression, partly due to Conservative Government that added to the Municipalities' burdens.

From 1934 to 1943, the 38 municipalities have been brought out of default, the municipal debt reduced by over $200,000,000.00 and not a dollar of principal lost.

Thanks to the guidance and co-operation of the Liberal Administration, the municipalities are not only solvent once again but are also in a powerful position to meet postwar problems.

No Extra Taxation in Wartime

That's the Nixon Government policy. Ontario will continue to live within its income. When there are surpluses, the citizens will benefit from them.

VOTE
LIBERAL

Postwar Planning

Postwar plans to keep Ontario prosperous are well advanced in every department of the provincial service . . . they will be administered by men who have demonstrated their sense of financial responsibility. Keep practical Harry C. Nixon at the wheel of state.

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON. — Brigadier Whiteley and Col. Victor Cazalet, who died with Sikorski, made 11 M.P.'s who have lost their lives fighting in the war and several have been wounded. To be a member of the British House of Commons in war is to be above the law. Conscription does not apply to an M.P. He cannot be directed into any activity no matter how essential it may be. A boy of 21, if elected to the House need not lift a finger to help the war effort other than by carrying out his parliamentary duties.

It is perhaps a tribute to the British House that despite this over a hundred members are serving in the armed forces or in special assignments in the battle areas. Nor is this exemption granted to M.P.'s in any way resented by the public. The British are highly developed politically and they know that once an elected M.P. can be sent away from Westminster the danger of victimization and dictatorship is in the offing. So deep is the instinct to protect representation by the people for the people that even Captain Ramsay, who is detained in prison on suspicion is not deprived of membership in the House. As long as he is solvent and sane that status can only be taken from him by the people who voted for him.

* * *

Sir Harry Oakes' Death

The news that Sir Harry Oakes is dead has startled the small number of people who knew him in London. He was a mysterious figure here and although he gave considerable sums to charities no one could quite understand why he was created a Baronet of the United Kingdom. Charity on a lavish scale frequently brings a Knighthood but the bestowal of a Baronetcy, in other words an hereditory Knighthood, is usually reserved for those who have served as well as given.

I never knew Sir Harry but one could not avoid some knowledge of the criticism he endured from Canadians after he decided to live away from the Dominion. The whole story of his career has a savage irony about it.

* * *

Sir Ernest Disappoints

There is keen disappointment in musical circles here that Sir Ernest MacMillan is not to visit England in the autumn. Brendan Bracken, the Minister of Information, was enthusiastic about the idea when I suggested it to him and musical circles were delighted. The idea was that Sir Ernest would come under the auspices of the British Council, that mysterious organization which has to do with cultural relations as differentiated from propaganda.

But the British Council could not apparently guarantee a return passage at any given time. This seems utterly stupid and, I am certain, quite outside Brendan Bracken's knowledge.

* * *

Lack Conductors

We are in a bad way over here for conductors. The one and only Beecham is still in America, despite which our relations with America continue to be friendly. Sir Henry Wood is well over seventy and confines himself to the "Proms." Sir Adrian Boult is a fine, statesmanlike figure, very knowledgeable, but lacking in passion and popular appeal.

Dr. Malcolm Sargent has so much to do that he is forced to a level of average efficiency through sheer lack of rehearsal. John Barbirolli, of course, is back but he is going to devote himself entirely to the Halle Orchestra in Manchester. Not even what Manchester hears today will be heard in London tomorrow.

* * *

Orchestral Dilettante

The piquant figure in the orchestral melange is Mr. Sidney Beer. This gentleman is rich. Instead of sports or gambling or politics he engaged in orchestral conducting as a hobby. No one took him seriously, not even the players he hired. He was always giving concerts to which no one in particular turned up.

But by dint of smithing one gets to know something about smiths. During the war Mr. Beer has been giving regular Sunday concerts in London and with a very good orchestra. Now he has taken the Albert Hall every Sunday for the autumn and winter for his symphony orchestra. He has secured many of the best players and the orchestra is very good.

Presumably he will share the rostrum with other conductors for Mr. Beer, despite his dark, handsome appearance, is not yet a public draw. Many jokes, probably malicious, are made about him. It is said that at a recent rehearsal he remarked to an oboe player: "Why don't you follow my beat?" To which the oboist is said to have replied: "If you're not careful I will." The story is probably quite untrue but is none the worse for that. I know Sidney Beer but have never seen him conduct.

* * *

Council in Trouble

The Council for the Encouragement of Music and the Arts is in trouble. All cultural movements are vaguely funny and CEMA is no exception. Backed by government funds, as I explained recently in these notes, it can decide that certain plays of an educational value should not have to pay entertainment tax which is extremely heavy.

One of the plays selected for this exemption by CEMA was "Love for Love" by Congreve, the assumption being that anything written as far back as the Stuarts must be educational. In addition CEMA exempted J. B. Priestley's modern play. "They Came to a City."

Now the row has started. "Love for Love" is brilliantly written and has an all star cast but it is the most licentious play seen in London for years. The government is being asked is it really its intention to subsidize the dramatization of marital infidelity.

And now the Tories are asking why a Tory Chancellor of the Exchequer should subsidize Priestley's play which is a diatribe against capitalism. Is this "education" according to Sir Kingsley Wood? The government, out of its depth, does not quite know what to do about it. As for CEMA it is in a state of emotional upheaval.

Well it is all great fun in the midst of the national war effort which is so prodigious. The Englishman likes to put his heart in one thing and talk about something else. War is his business and nothing else matters, but an Englishman hates to "talk shop."

Hence these notes are a fair reflection of what is going on in the battered old metropolis on the Thames.

* * *

Why Airlines Immune

W. S. Morrison, Minister for Town and Country Planning and Postmaster-General when war started, told me something which helps to explain the long immunity enjoyed by German and British planes landing on the same airdrome at Lisbon.

Naturally when war broke out Germany and Britain could not communicate with each other directly. But through the protecting power (Switzerland) it was arranged that air mail from Britain to British prisoners in Germany should be flown to Lisbon and from there carried by German plane to Germany. A parallel arrangement was made concerning German prisoners in Britain.

There were other reasons, of course, for both sides maintaining unrestricted contact with Portugal. The Germans wanted British newspapers and their reports of Parliament, and their revelations of the state of public opinion as well as the movements of Ministers.

Britain wanted Portugal as a jumping-off airdrome to America and also a stopping point on the way to the Middle East.

Then why was the airliner shot down? Had it been done by a solitary Messerschmidt, one might have regarded it as the blunder of one pilot. But, according to present reports, a number of planes set about the liner.

The only explanation is that the Germans believed that someone of extreme importance was on board.

—Photo by Randolph Macdonald.

PROMOTED

George M. Hobart, London, who has been made vice-president and general manager of Somerville Ltd., succeeding the late Duncan H. McDermid as vice-president. Mr. Hobart had been general manager of the company.

Primary Cottons Off 14% To Date

From Our Own Correspondent

MONTREAL.—Primary cotton mill operations in Canada for the first half of 1943 were off 14% from the like period last year, judged by the number of bales of cotton opened. The total for the year to date is 222,082, as against 259,208 in the first half of 1942.

During June 38,611 bales were opened, compared with 40,589 bales for the same month last year, a decline of nearly 5%.

Production of cotton yarns in Canada is being reduced below bedrock requirements for war service purposes and essential civilian requirements, the Primary Textile Institute reports. Net numbers employed in the cotton yarn and cotton cloth mills of Canada reached a peak in Sept., 1941, and from then until May, 1943, net loss in numbers employed has been 11%. Output of cotton yarn in Canada is now back to the 1940 level.

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What About Our Forest Industry?

(Continued from page 3)

search, planned operation and particularly public education. The basic fact is that forests are a soil crop we must grow if we hope to harvest.

* * *

A. C. Penny

Editor, Chronicle-Telegraph, Quebec, P.Q.

A permanent forest industry must be based upon a realization that timber is a crop to be cut annually not a resource to be exploited to the point of exhaustion and then abandoned. The crop must be protected and maintained— protected against fire, pestilence and illegal or excessive cutting, maintained by reforestation and applied silviculture. To this end there must be close teamwork between the Dominion and Provincial Government and those engaged in the forest industry. The parts played by the first two should be much the same as they actually play in the field of agriculture. The responsibility for actual protection and maintenance rests with the provinces but the Dominion should co-operate, support and subsidize it by agreement in the national interest.

* * *

E. H. Roberts

Director of Forests, Regina, Sask.

I agree with the basic outline of forest policy advocated by the Canadian Forestry Association and the Canadian Society of Forest Engineers, and am of the opinion that co-operation of the Dominion and Provincial Governments is necessary along the lines proposed in the interprovincial brief presented to the Minister of Mines and Resources in Ottawa on May 6. The present abnormal drain on the forest resources of Canada for war requirements demands early consideration of effective methods to prevent such depletion as may permanently injure or largely destroy the productive capacity of this most valuable resource.

Arthur A. Schmon

President and General Manager, Ontario Paper Co., Thorold, Ont.

There should be, first, more adequate forest protection against fire and insects, including strict circulation control; second, intensive soil classification study to determine areas suitable for forestry operations only and not good for agriculture. Upon completion of this study, the government should set up forestry reserves throughout Canada in close proximity to paper and sawmills as well as towns or communities, these reserves to be run by different forestry departments on approved forestry principles on a perpetual location basis. Such principles should include forest inventories and cutting methods to stimulate natural reforestation. The government should adopt a policy of making large appropriations out of stumpage dues revenue for the purpose of improving roads, forest protection and other long-range measures to protect public interest and the future of the industry.

* * *

J. O. Wilson

Anglo-Canadian Pulp & Paper Co., Chandler, P.Q.

Timber is a crop. Forest management based on natural reproduction and sustained yield is the first essential. Financing a long-term project is a state function. Dominion and provincial authorities should share equally and provide funds on a liberal basis. Greatly increased facilities for education, training and research are urgently needed and should cover growing, protecting and harvesting the forest crop, manufacturing and marketing the products. As accessible virgin stands are replaced by new growth, efficient forest labor is of paramount importance; should study the possibility of providing year round employment with permanent living quarters in the forest and higher earning potential through specialized training. These views are personal.

* * *

Ellwood Wilson

Consulting Forester, Knowlton, Que.

The Dominion Government should match dollar for dollar the provincial appropriations for fire control and take charge of insect fungus control, amplify research in silviculture management, etomology, mycology and utilization.

Train specialists in the above branches. Provinces should control more closely the cutting on crown lands to enforce sustained yield management. Institute control of cutting on farm and private woodlands on lines successful in Sweden. Prevent overcutting and denudation. Use net forest revenues for protection and building up the capital value of forests. Eliminate political appointments for forest services and interference from members of Parliament in management and regulation.

* * *

O. F. Young

Editor, News-Chronicle, Port Arthur, Ont.

Canada's forests must be considered and used as crops, the cut calculated by replacement power of growth, natural or cultivated. Use should provide the maximum of home employment, supporting families and communities rather than the unattached individuals who have been going annually to the woods and returning to live in boarding houses and spend their earnings as men without dependents or responsibilities. Management of the forests should be vested in a commission like the Hydro-Electric Power Commission. Barren lands and ghost towns in Ontario, Michigan, Wisconsin, made so by indiscriminate and wholesale stripping of the timber without reforestation, should be regarded as the horrible example to prove it can happen here.

How much Air...
to keep the "staggers" out of raft-making?

PLANT air that made workers go AWOL? Yes! and it threatened to sabotage production of death-cheating rubber life-rafts for the air forces.

Step into the room where these special rubber boats are processed and you'll find that a dangerous solvent is evaporated and released into the air. Even small concentrations of this vapor cause workers to reel and stagger as though drunk. To make matters worse, this solvent carries the constant threat of explosion.

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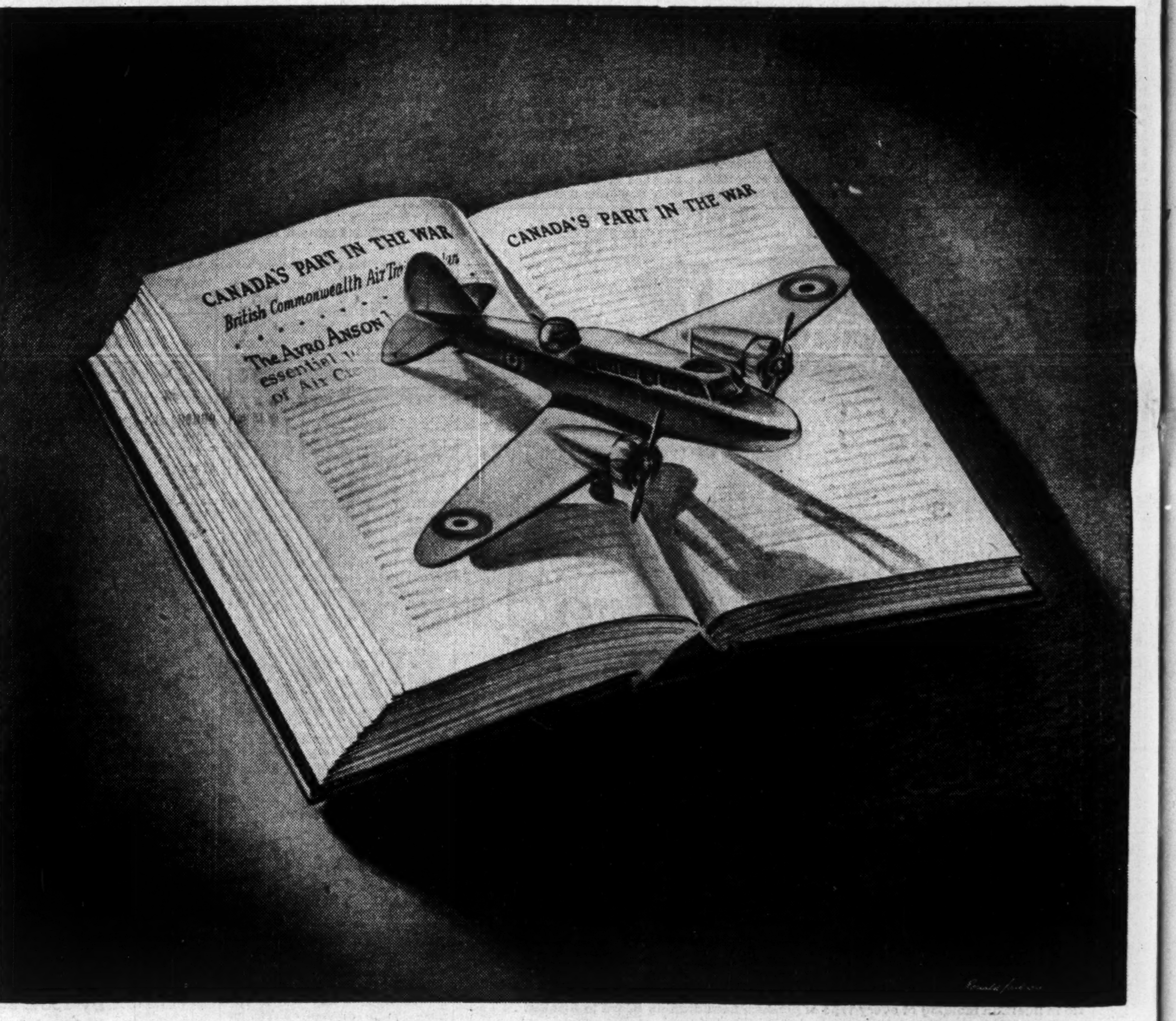
HOW MUCH AIR TO MAKE YOUR POST-WAR PRODUCT BEHAVE?

After the war, we will all benefit from the lessons we are learning today. AIR that is engineered—to ventilate, to heat, to convey, to control dust and fumes or burn fuel *more efficiently*—will make the difference between profit and loss in many a plant. Just where ENGINEERED AIR will fit into your problem, no one can say. But Sturtevant's work of yesterday and today will be tremendously helpful in finding the answer.

B. F. STURTEVANT COMPANY OF CANADA LTD.
Factory GALT, ONT. Sales Offices TORONTO, MONTREAL

Sturtevant
TRADE MARK REGISTERED
Puts Air to Work



When the History of this War is written . . .

. . . some of the most stirring chapters will be written in the sky.

They will tell how the heroic R.A.F. saved Britain in her darkest hour from the fury of Hitler's Luftwaffe, and later grew in might to smash the Nazis on a score of fighting fronts.

Around the clock, pilots of the Bomber Command are guiding the great four-engine Bombers straight to their targets, accurately and with resolute purpose.

They will tell how Canada, as the vital link in the Empire's air training scheme, helped forge the United Nations' powerful tools for victory.

To this inspiring achievement the Avro Anson twin engined trainer has made a vast contribution.

Boeing is proud of the part it has played in the production of this plane, which is helping bring victory closer every day.

The same research and engineering departments which have established Boeing-designed and Boeing-built planes as leaders in Aviation are available to the Canadian Division for the production of R.C.A.F. Aircraft.

This skill and productive ability now dedicated to war will be projected to solve peace time problems and the phrase "Built by Boeing" will stand for the best in the new, freer world.

BOEING
AIRCRAFT OF CANADA LTD.

A Division of Boeing Aircraft Co., designers of the Flying Fortress, the Stratoliner, and Pan American Clippers.

THE FINANCIAL
POST
Canada's Foremost Business Newspaper

Toronto, July 24, 1943

The Truth About Aluminium Ltd.

Subject of Political Controversy in Canada and United States, Aluminium Ltd. Boasts an Amazing Production Record But Financing Methods and Pricing Present Long Term Problems

By KENNETH R. WILSON

Out of Great War Number Two has come a new "Big Business" political bogeyman. It is Shipshaw and the Aluminum "Trust."

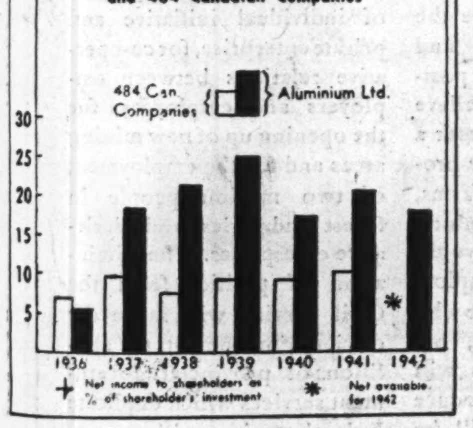
Though Canada has never been very excited by the kind of trust-baiting that abounds in the United States, it now seems clear that the C.C.F. spearhead in the next election and in party propaganda generally, is to be the long term and wartime record of world-girdling Aluminium Limited and its monster Canadian properties.

These attacks and their ultimate results may carry far-reaching implications.

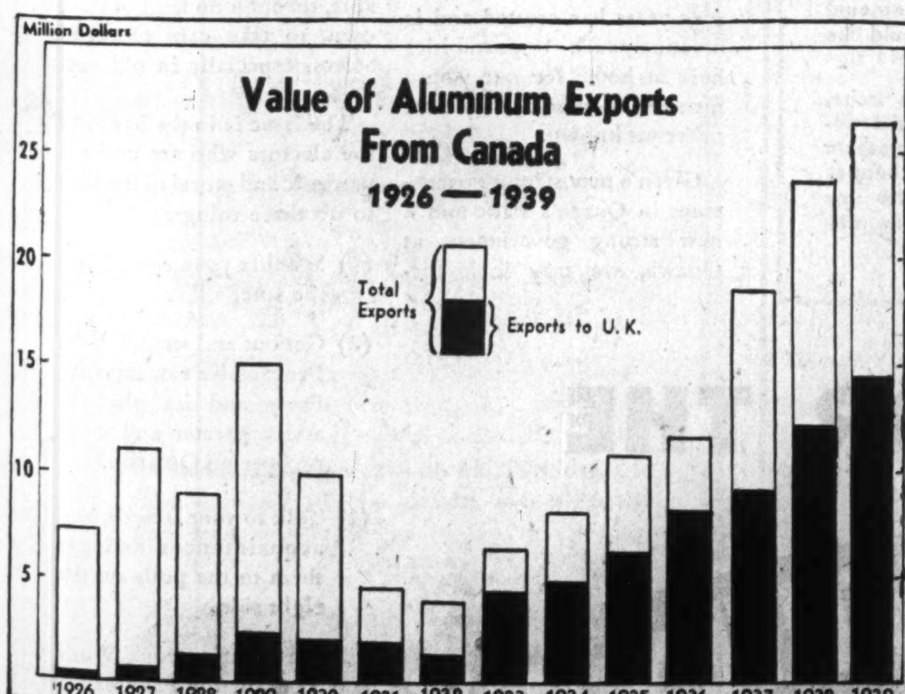
For one thing, Aluminium Ltd. is rapidly becoming one of the largest of all Canadian industrial enterprises. Its assets have soared from a pre-war figure of less than $70 millions to something over $350 millions. After the war it will own and control one of the greatest developed hydro-electric power properties in the world. It will hold a key to the great new age of lightweight metallics certain to unfold after the war. It will have an aluminum stake in almost every corner of the earth.

Apart from the political implications of these attacks it seems certain that whatever can be produced by way of evidence to "smear" the aluminum enterprise in Canada will be used as the basis for a corresponding attack on all private enterprise in Canada. Thus every business—big or small—is intimately concerned with the frontal attack on aluminum which started in the House of Commons last February.

This article will attempt to sketch briefly the factual story of the Aluminum organization in Canada. It will attempt to clarify the mass of financial and other facts and thus provide a groundwork on which the performance of this most important cog in the United Nations' war effort may be appraised.



In good times, shareholders of Aluminium Ltd. earn a lot more on their investment than the average for Canadian companies at large, measured by a Bank of Canada yardstick. Net return has levelled off since 1939; is now "frozen" at around the 1942 level with the lion share of earnings going to pay for war-expanded plant and equipment. The company got a big "break" in 1941 when amended EPT laws moved the company's standard profit base from about $11.5 to $14.4 millions.



Here is a tell-tale chart about aluminum production and profits in Canada. It shows the ups and downs of export sales of aluminum over 14 pre-war years. Before the war, 8 out of every 10 pounds produced in Canada had to be marketed abroad. Now we have 12 pounds to sell for every pound of pre-war capacity. Other countries have also greatly expanded their capacity. The chart also shows how Great Britain has come to be the most important single customer of Aluminum Co.

Forty-four Years in Canada

The two chief corporate entities of the aluminum "trust" in Canada, are an operating company (Aluminum Co. of Canada, Ltd.) and a holding company (Aluminium Limited).

The operating company goes back to 1902. In that year its predecessor company (Northern Aluminum Co.) was incorporated as a subsidiary of Aluminum Co. of America to acquire and operate a smelter and electric generating facilities which had been established at Shawinigan Falls, P.Q. A few years previous to that (1899) the American company had negotiated a long-term contract with Shawinigan Water & Power Co. for a supply of electric power with which to manufacture aluminum.

Recently in the House of Commons, C.C.F. leader, M. J. Coldwell, criticized this contract on the grounds that it contained monopolistic provisions binding Shawinigan not to "furnish water or water-power to any other person, corporation or organization engaged in the business of manufacturing aluminum."

A Pre-war Monopoly

It is this combination of power and ore control which helped the parent organization to maintain its monopoly in the pre-war era, even though original patents expired in 1905 or 1906. How successful this group will be in retaining that monopoly after the war remains to be seen.

In 1914, the Canadian company built a new fabricating plant at Toronto for turning out aluminum sheet and castings. It also obtained deposits of bauxite (the principal raw material of aluminum) in British Guiana, through a subsidiary (Demarara Bauxite Co. Ltd.)

In 1925, ground was laid for the future expansion of the company by acquisition of a plant site at Arvida, in the Saguenay district of Quebec, about 130 miles north of Quebec City. The company joined forces with the Duke-Price power interests by signing a long-term contract for 100,000 h.p. Later it acquired control (54% of the stock) of the company which owned and operated this power property.

This is the Ile Maligne power development on the Saguenay River. It now has a developed capacity of 540,000 h.p. The company was originally Duke-Price Power; is now Saguenay Power.

The new smelter at Arvida started producing ingots in July, 1926. The town gets its name from the first two letters of the three words, Arthur Vining Davis. Mr. Davis is president of Aluminum Co. of America and elder brother of the president of Aluminium Ltd.

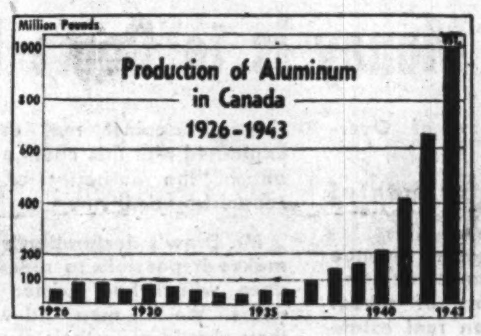
From 1926 to 1938, the Arvida plant had a capacity of 90 million lb. of aluminum a year. Production in the 1927-36 decade totalled 625 million lb. indicating that the plant operated at 70% of capacity in that period. During the depression, output dropped to less than 40% of capacity.

Production figures can only be obtained in the American Metal Market booklet "Metal Statistics." Curiously, Canada publishes no figures concerning aluminum production in peacetime. The official theory is that where only one company's operations are involved no statistics may be disclosed. Canadians must therefore look to American sources to unearth production figures on their own company.

But there was no market in Canada for anything like this amount of aluminum. Thus in 1928, for corporate as well as market reasons, a new plan was devised whereby the world-wide foreign properties of Alcoa were transferred to a Canadian holding company (Aluminium Ltd.). This company also acquired control of Canadian operations at Arvida and elsewhere.

Original common shareholders were the same as those which owned and controlled Alcoa. There has since been a wider distribution of the shares but control of the company still remains within the original group.

The Canadian holding company started with properties in England, Norway, France, Germany, Italy and Yugoslavia. It expanded through acquisition of fabricating enterprises and plants in England, Holland, Switzerland, India, China, Australia, Germany and Japan "to provide access to markets believed to be not unduly restricted by high tariffs or other local economic conditions." It set up during the depression an international sales organization in Switzerland (Alliance Aluminium Compagnie) to stabilize prices, allocate production and create an international "clearing house" to take care of raw material inventory which piled up during the depression. I am told that this "cartel" (to which Germany adhered at first) embraced about 48% of world production at the peak of its influence. To this should be added an additional 26% representing U. S. production. The U. S. was not part of Alliance, but in view of its connection with Aluminium Ltd. undoubtedly "conformed." This left, at best, 26% of world production outside Alliance influence. Once the demand for aluminum started rising in 1937, the organization started to break up.



Prior to 1939, production of aluminum in Canada averaged 63 million lb. a year, of which 80% was exported. Now productive capacity has jumped 12 times to over 1,000 million lb. a year. To keep the "plant" fully occupied, sales must increase to 16 times their prewar level. Biggest question mark in the whole aluminum story is what to do after the war.

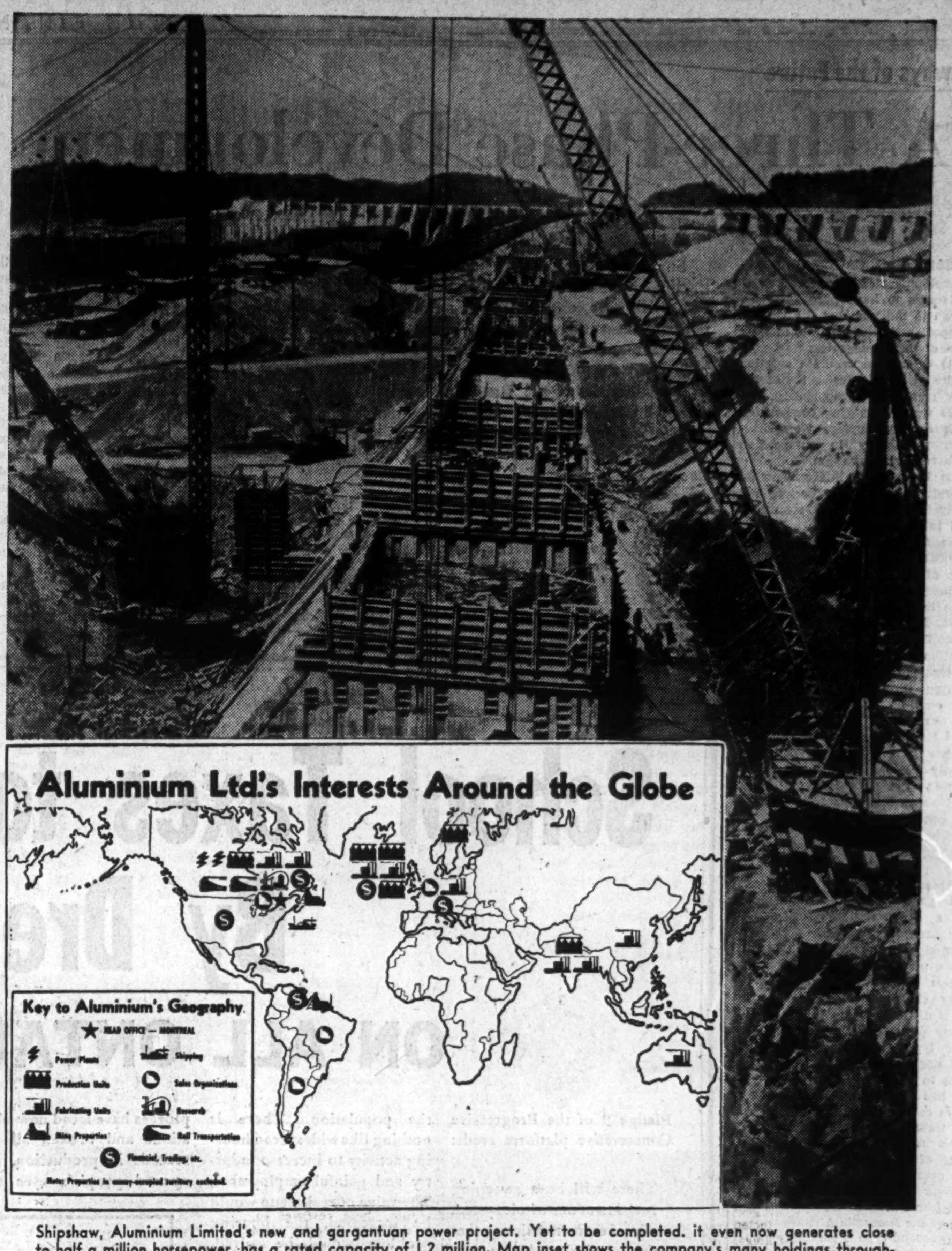
80% Sold Abroad

Canadian export figures show that between 1927 and 1939, Aluminum Co. of Canada sold 80% of its Canadian output abroad in the form of ingots, bars or sheets. These sales represent 96% (by value) of total overseas aluminum shipments. In short most of Canada's pre-war aluminum exports were in the form of primary metal rather than fabricated or manufactured goods.

Total exports of all aluminum products from Canada from 1926 to 1939 amounted to $166 millions. The yearly average in the three pre-war years 1937, 1938 and 1939 had risen to $23 millions annually. Although this was distributed to 70 different countries, 50% went to the U. K.; 28% to Japan; 7% to United States and 2% to China. In the 14 years prior to 1940, 41.5% of total exports went to the United Kingdom.

By the end of 1936 (and before "preparation" for war started lifting demand for aluminum in many parts of the world), the Canadian holding company had fixed assets of about $50 millions; earned surplus of $3 millions, and total assets of $70 millions.

From the viewpoint of productive efficiency, as well as potential usefulness in time of war, one very important development was the establishment at Arvida in 1937 of an ore smelting plant which could produce powdered "alumina" direct from bauxite. (Alumina is the raw material which is poured into huge electric furnaces, or pots, to become aluminum.) Previously, bauxite had been brought from British Guiana via the Mississippi to the St. Louis smelter of Alcoa and there turned into alumina. Thence the alumina had been brought by expensive rail haul to Arvida. With the erection of the first ore smelter at Arvida (another has since been added) the Canadian property became an integrated and highly profitable enterprise. Profit per pound of metal produced rose very sharply with the St. Louis "toll-gate" eliminated, and with the increase in demand as nations started arming for war.



Shipshaw, Aluminium Limited's new and gargantuan power project. Yet to be completed. it even now generates close to half a million horsepower, has a rated capacity of 1.2 million. Map inset shows the company's many holdings throughout the world, Aluminium Ltd. plants lost through location in enemy territory have been valued at $13.3 millions.

In 1938, ingot capacity at Arvida was increased from 90 to 160 million lb. When the war started, this was being increased to 200 million lb. So far, financing of expansion had been done by the company itself. Assets by the end of 1939, had risen to $98 millions and earned surplus to $28 millions.

At this point, Britain sought a further very substantial increase in capacity. As a result of this request the British Government loaned the company $55,6 millions (repayable in 20 years; 3% interest). This was used to extend plant capacity to 435 million lb. The loan was obtained on terms highly favorable to the company. It is repayable in full only if the added capacity is used in full throughout the 1941-46 period. If such capacity is used only in part at any time during this period, the notes are proportionately payable in part both as to principal and interest.

U. S. and Australia Buy

By midsummer, 1941, the demand for further aluminum was so urgent that contracts were negotiated with United States and Australia (plus a supplementary contract with Britain) requiring ingot capacity at Arvida of 1.1 billion lb. This meant an additional investment of $117 millions which was financed in two ways:

(a) By advance payments of $93 millions from the three governments in anticipation of aluminum deliveries, most of which are to be made between June, 1941, and Dec. 31, 1945.

The advance payment from the U. S. is interest-free and amounted originally to $68.5 millions. Payments are made by allowing the company to deduct 5 cents a pound (U. S. funds) from the base price of aluminum sold and delivered to the U. S.

(b) By a $38 millions "line of credit" established at Washington under which $17.6 millions (Canadian funds) was outstanding from a U. S. Government agency as at Sept. 30, 1942.

In order to make these advance "income" payments available to the company as "capital," the Canadian Government agreed to allow accelerated depreciation during the life of these contracts.

The total "write-off" so allowed may vary between $154.5 millions and $165 millions of which $117 to $123 millions is for general plant expansion at Arvida, Shawinigan, British Guiana, Newfoundland, etc. The remainder, $37.5 to $42 millions, represents about 60% of the estimated cost of enlarging the company's new and gargantuan power project at Shipshaw which was started Oct. 1, 1941.

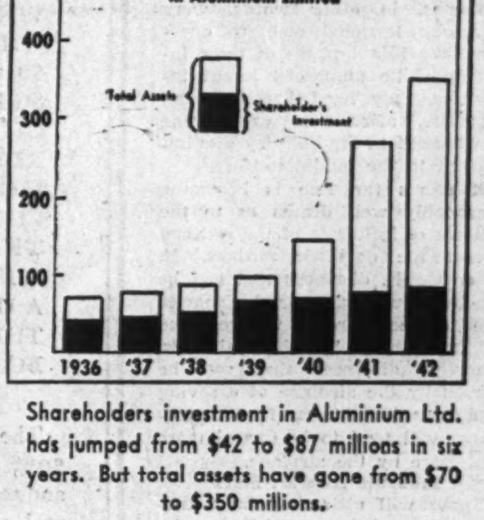
Shipshaw has now passed the halfway mark in a program which, when completed at the end of this year, will make it one of the largest hydro-electric power plants in the world. It is already generating about half a million horsepower; has a rated ultimate capacity of 1.2 million h.p.

Plans for Shipshaw were actually prepared 15 years ago. When I visited the company's office at Arvida recently in company with members of the Empire Parliamentary Association (including M. J. Coldwell) we were shown a relief map of this vast project created by the company's engineers in the twenties. The first step toward consummation of this power engineers' dream was a $35 millions power plant expenditure at Chute-a-Caron, completed in 1931. This will be known in future as Shipshaw No. 1 and will now be used chiefly as a reserve for the million horsepower plant at war-bred Shipshaw No. 2. Because of the speed with which Shipshaw's No. 2 was rushed to completion, and the higher wartime costs of construction, the estimated cost of $70 millions is almost double what it was originally expected to cost.

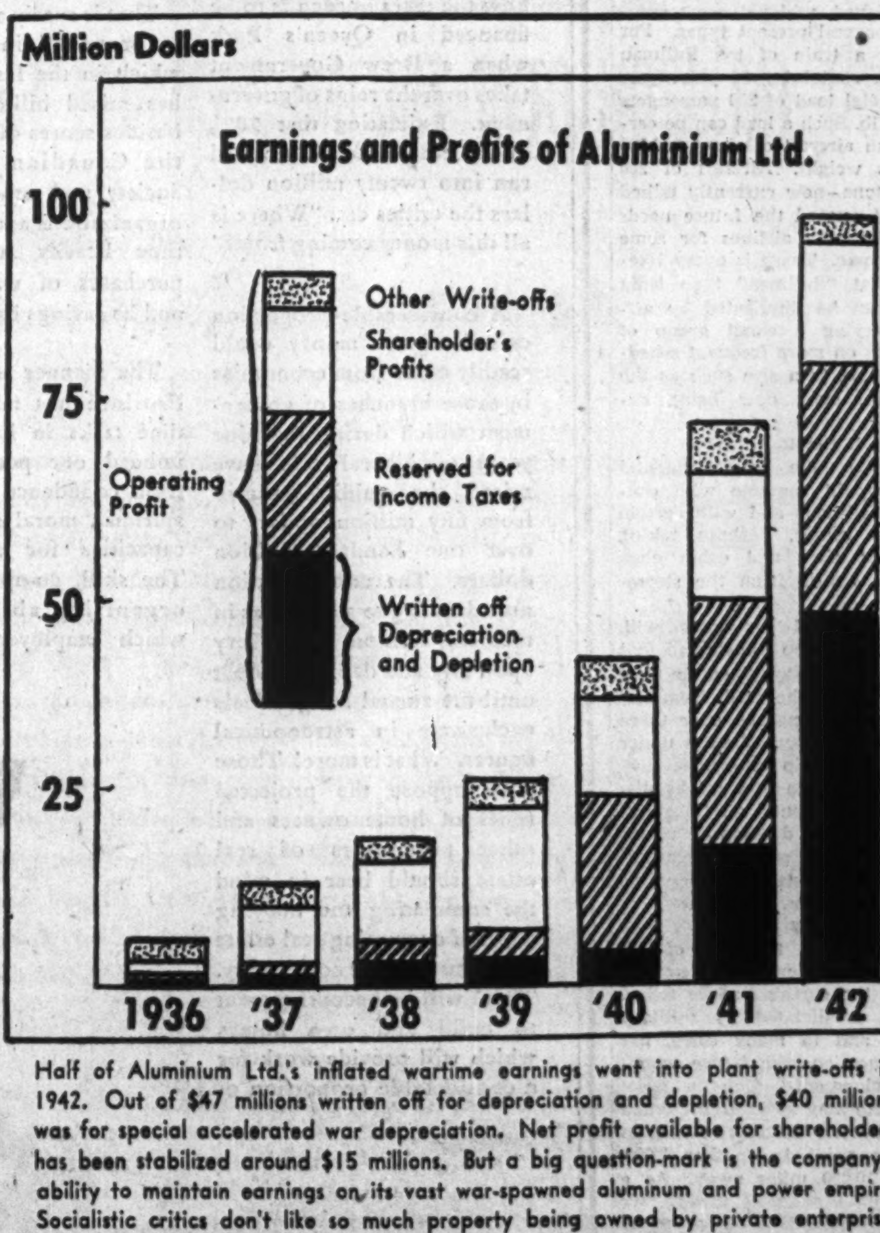
The company has also been aided in its expansion program by other government assistance. For instance the U. K. Government paid $6.8 millions to erect an extrusion and tube mill at Kingston. The plant is now rented to Aluminum Co. of Canada on a hire purchase plan which will give the company the right to purchase it ultimately at its depreciated value. The company is spending a further $8.8 millions at Kingston for a forge plant and additional mill capacity.

The company is also being granted acceler-

(Continued on page 20)



Shareholders investment in Aluminium Ltd. has jumped from $42 to $87 millions in six years. But total assets have gone from $70 to $350 millions.



Half of Aluminium Ltd.'s inflated wartime earnings went into plant write-offs in 1942. Out of $47 millions written off for depreciation and depletion, $40 millions was for special accelerated war depreciation. Net profit available for shareholders has been stabilized around $15 millions. But a big question-mark is the company's ability to maintain earnings on its vast war-spawned aluminum and power empire. Socialistic critics don't like so much property being owned by private enterprise. But the stock market reflects shareholder doubts of postwar earnings on the assets.

Airways of the Future

A Three-Phase Development

Engineer Sees Canada Sharing in New Routes

Superintendent of Flight Research for Canadian Pacific Air Lines, E. G. Carlisle takes a look at Canada's future: he sees continuation of an already paying transport business throughout the remote North; possible establishment of North-South lines linking less accessible points with the principal centres in the U. S.; development of air lines from the Dominion to important South American trade routes; and closer links being forged within the Empire area. He sees a three-way classification of airways of the present and future, each type serving its own constituency.

By CAPT. E. G. CARLISLE, O.B.E.

Development of commercial aviation seems to have progressed far enough to indicate that the various transport activities fall into at least three distinct categories:

(1) Operations wherein aviation is the principal means, if not the only means of transportation.

(2) Operations in competition with existing surface transportation, principally in competition with rail transportation.

(3) Long range intercontinental operations which may or may not compete with existing steamship and rail transportation.

The first type exists primarily in localities of extreme weather, areas of extreme cold (such as in Northern Canada) or areas of extreme heat (as in South America, Africa, New Guinea, etc.).

Here the mere existence of transportation is the prime problem and air transport has established its technique through pioneering methods employing small units. It seems extremely likely that the small aircraft will continue to exist, infiltrating as many points as possible, until gradually a complete area is afforded a frequent service over many stops.

E. G. CARLISLE

It is difficult to say that aviation in any phase exactly parallels another type of surface transportation organization, and yet there seems to be some phase of aviation that has many similar characteristics in common with any other surface transport type of organization.

This first type seems to have many of the problems associated with operating an organized taxicab business or a short-haul trucking establishment.

Like Domestic Airlines

The second type is generally associated with domestic airlines as they were established in many countries at the inception of the war. These airlines did not have climate and terrain problems that type (1) encountered. Instead it had the problem of establishing in the minds of the people the need for a new means of transportation in the face of much cheaper railroads. Their problems, in other words, were primarily financial ones to overcome the infant phase of their industry. Like numerous infant industries, they needed government subsidies, after first establishing to what extent the industry was important to the public welfare.

It seems the line is becoming reasonably well drawn as to the spheres of influence of the railroad versus the domestic airlines. In other words, distances that can be reached overnight, or in shorter time, on the railroads, will continue to be served by the railroads, whereas, distances that can be served by the airplane at a saving of a day's time or more for the passenger will tend to be served more and more by the airplane.

Probable Aircraft Sizes

There will ultimately be a tendency toward the use of larger airplane types than have heretofore seen service.

Size of domestic service aircraft, it is believed, will not grow enormously beyond present types. For example, a train of ten Pullman cars each containing 25 passengers gives a total load of 250 passengers of 50,000 lb. Such a load can be carried in an aircraft of about 250,000 lb. gross weight. Aircraft of 200 and 400 tons—now currently talked of—might exceed the future needs of the domestic airlines for some time to come. There is every likelihood that "Pullman" type train service can be duplicated by aircraft carrying a small group of passengers on more frequent schedules, tending to a size such as the 100,000 lb. class now being developed.

Will Cut Rail Trade

Type (3), the intercontinental airline, would compete with continental railroads and with certain steamship routes, perhaps taking much first class and cabin class passenger traffic from the steamships.

Intercontinental air lines will, however, develop business that does not exist today, since the most remote parts of the earth from any given spot will not be over three or four days away, whereas under existing steamship schedules, they are from three to four weeks distant. Intercontinental air lines will at the same time develop air routes over which the surface organizations can not establish competing transport agencies.

Military Routes

The far-flung network of air cargo and transport routes spreading over the earth's surface today, however, is dictated by military strategy, and in many cases, has little connection with future economic developments. Thus a great circle route may be desirable when moving military aircraft or cargoes from one point to another 3,000, 5,000 or 10,000 miles away. As a problem in economics, though, we find the locations of the principal cities tend to lie south of the 60th parallel. Thus any flight near the North Pole would have a "no traffic offered" run of 3,000 to 4,000 nautical miles. Alternative routes not going over the so-called "top of the world" might have major traffic offerings at intervals of from 1,000 to 2,000 miles.

Domestic airlines of the U. S. in carrying 20 passengers in a Douglas DC-3 transport have a ratio of approximately 5,000 lb. of pay-load to 1,000 lb. of fuel. When we think in terms of the long distances involved in so-called "over the roof of the world" travel, we must reverse the ratio. A present day typical transatlantic aircraft, for example, is carrying 18,000 lb. of fuel and 4,000 lb. of passengers. So long as we insist on establishing routes requiring non-stop range of 3,000 to 4,000 miles, technical problems are posed, the answers to which are not readily apparent.

Dawson, Whitehorse, the Northern parts of the Western provinces, and the regions south of Hudson Bay may demand a transcontinental system at some future time. Canada appears to be far behind the U. S. in taking advantage of reciprocal extension of routes from one country to another. Natural development would be the extension of Canadian North-south lines to more of the larger U. S. cities.

Talk of Canada's dominating position in relation to world centres and land masses when considered in the light of great circle distances, from the pure economics of commercial transport operation, this may have been overdrawn. The two major outlets, the one through Eastern Canada and Greenland to Europe, the other through western Canada and Alaska to Asia, contain technical barriers at the present state of the art of flying. Nevertheless, the North Atlantic will, because of traffic density, tend to sustain a major effort to establish a profitable air route. An air route across the Bering Sea appears conceivable after the war is successfully concluded. This is the shortest way into China, and the development of a deeper community of interest with China, and with Russia, should be hastened by an aggressive airline organization.

We have to the South certain Empire interests that Canadian organizations could utilize. With a minimum amount of foreign relations to be established in South America, this readily expands toward eventually spanning the globe in easy stages. From a purely technical point of view, and from the standpoint of potential traffic offerings at convenient intervals, this proposition deserves far more attention than it is currently receiving. It should be emphasized that Canada must acquire at least a United states and South American entrance in bargaining a North Atlantic route with the U. S.

Canada's Interests

It is apparent that Canada has important interests in all phases of commercial transport aviation. Much of Canada might well be said to have air transport as its natural vehicle for local operations. Its size will cause it to depend upon a network of trunk lines for the Northern centres that will tend to develop. Canada's natural background of air transport, coupled with its favorable position among the more important land masses of the world, should induce the country to expand through the Empire areas of the world. With this as a first objective it might then link the Empire, wherever possible, to the other principal countries and cities of the world. Canada might, thus, become a world centre of air transportation.

To realize all these things, however, there is a vast amount of unfinished work to be done, there are many risks to be taken where the technical answers are not rapidly apparent, aside from the more pecuniary answer as to how much profit it will pay. Aviation is, however, at the point where profits should logically result from a reasonably intelligent effort. With such stakes to play for, and with so much to be gained from an intensive application of initiative and hard work, it would seem extremely important that the pilots of the nation, in whatever form of organization they happen to find themselves, be not hampered, but actively encouraged in the not too apparent task of bringing into reality the vast dreams so many other people hold for them.

CLOTHING EXECUTIVE

S. W. Rousell, managing director of Fashion Craft Manufacturers Ltd., who has been appointed executive vice-president of the company. He will continue to act as managing director

Maritime Tel. and Tel. Record Pace Unbroken

Maritime Telegraph & Telephone Co. continues to chalk up new operating records. During May number of long distance calls completed totalled 210,377, an increase of 30,319 over the same month last year and the largest number ever reported for that particular month.

Another all-time record set up in May was the number of stations in service, 57,346. This compares with the previous mark of 57,184 established the month before.

Save This Advertisement for Future Reference:

School Taxes to Be Reduced One-Half By Drew Government

ON ALL ONTARIO HOMES AND FARMS

Pledge 9 of the Progressive Conservative platform reads:

> There will be a sweeping revision of our whole system of real estate taxation so that the owning and improvement of homes and farm land, which are the very foundation of our society, will not be discouraged by excessive taxation. AS AN INITIAL STEP IN THAT DIRECTION THE PROVINCIAL GOVERNMENT WILL ASSUME AT LEAST 50 PER CENT OF THE SCHOOL TAXES NOW CHARGED AGAINST REAL ESTATE. IT IS, HOWEVER, TO BE CLEARLY UNDERSTOOD THAT THIS CHANGE WILL NOT AFFECT THE AUTHORITY OF THE LOCAL SCHOOL BOARDS.

The promised transfer of 50% of the cost of primary and secondary education from real estate to the provincial treasury has been met in some quarters by queries as to how the extra burden is to be financed in Queen's Park when a Drew Government takes over the reins of government. Estimating that 50% of the cost of education will run into twenty million dollars the critics cry: "Where is all this money coming from?"

A considerable proportion or all of the money could readily come from economies in those branches of government which during the nine years of Liberal rule have raised the public taxation from fifty million dollars to over one hundred million dollars. The administration now drawing to a close has in reckless fashion piled levy upon levy and debt upon debt until the annual budget deals exclusively in astronomical figures. What is more! Those who oppose the projected relief of home owners and other proprietors of real estate should bear in mind the stimulating and buoying effect of converting real estate into a marketable commodity. There will be encouragement to build and own homes which will provide work for a considerable proportion of the population. There is nothing like widespread housing activity to increase industry and gainful employment. The value of real estate would be increased, the housing problem would be solved, slums could be cleared away and there would be no need of a resumption of state and municipal relief after the war.

In this connection The Orillia Packet and Times says editorially that this reform, "will not necessarily add a dollar to the tax burden that the taxpayers have to carry. It will simply be a readjustment of the cost of maintaining the schools so that it will fall more equitably on a larger number of shoulders. At present the major part of the load falls on the section of the community who are property owners, who are neither the people who benefit directly nor those most able to pay."

But still the critics exclaim: "Where is the 20 million dollars to come from?"

That is surely a queer query to propound in a Province which in the last four years has raised billions for war besides scores of millions for the Canadian Red Cross Society and other voluntary organizations and at the same time heavily increased its purchases of war securities and its savings bank deposits.

The manner in which the Province has taken its war time tasks in its stride has imbued our people with a fresh confidence in our own spiritual, moral and material capacities for achievement. The skill, co-operation, and organizing abilities, with which employers and employees have faced new obligations and broken all time records in production, have opened people's eyes to a splendid future for Ontario and for the rest of Canada—if only we have wise government leadership.

That indeed was the keynote of the speech in which George Drew announced the party's 22 point policy, including that related to tax reforms. He said: — "Our whole planning for the future will be based upon the conviction that this Province has not yet begun to develop its resources. With effective planning we can make these resources provide work for our men and women who come out of the war and out of war factories—and that on a scale that will assure a higher measure of prosperity than we have ever known. Drew has also said:

> "Our danger in this Province is not unemployment after the war, but rather a shortage of workers for the job which lies ahead if only those who direct our affairs have the vision to see the role which Ontario and Canada can play in the post-war world. If we believe Ontario is about to enter a rapid expansion in the producing capacity of our farms, our factories, our mines, and our forests, then we are safe in promising employment not only for those who will be demobilized, but to many others who will also be needed to produce those things that will be required in enormous quantities by the whole world."

The demands for replacement and reconstruction in many countries overseas after the war will tax Ontario's huge reserves of raw material and manufacturing facilities to the utmost limit. All the terrible destruction of the last four years has created and is creating such opportunities here at home for our young men and women as they have never yet known.

Given a new strong government in Queen's Park and a new strong government at Ottawa, we may look forward to a fresh era in Ontario and in the rest of Canada. It may indeed be asserted without fear of successful contradition that each of the 22 points in the Progressive Conservative platform makes for the creation of a greater and more prosperous Ontario which need not be inconvenienced in the slightest degree by government assumption of an additional obligation of twenty million dollars for primary and secondary education.

The Drew programme makes for progress in agriculture, industry, the mines, forests, and commerce. It makes for the encouragement of individual initiative and private enterprise, for co-operative relations between employers and employees, for the opening up of new mining areas and for the employment of two million people in forest industries and derivative enterprises. The elimination of politics from the Civil Service will make for efficient government, the abolition of provincial government services which duplicate Federal services will prove a source of economy. The promised abolition of monopolies and the pledged assurance of adequate supplies of fuel, milk, and other basic necessities will conduce towards the development of a healthier and more efficient nation. So will the pledge of Social Security for those unable, through no fault of their own, to take care of themselves, especially in old age.

The issue is in the hands of the electors who are under a patriotic and moral obligation to do three things:

(1) See that your name is on the voter's list.

(2) Get out and work for the Progressive Conservative Party and its platform and a greater and more prosperous Ontario.

(3) Talk to your friends, and acquaintances and get them to the polls on the right side.

Make Ontario strong. Work and Vote for the Progressive Conservative Candidate.

Where the Money is to Come From

1. **Partly from abolition of Over-Lapping Services.**
2. **Partly from Departmental Economies.**
3. **Still more of the necessary revenue will flow in from the stimulating influence this halving of school taxes will exert upon real estate values and upon rehousing and general building activities.**
4. **Most of the necessary revenue will arise from the accelerated development of Ontario's vast natural resources that will result from the presence in Queen's Park of a Progressive Conservative Government of strong, capable men who have presented the Province with the most aggressive and constructive programme in the history of the Province.**

TO THE RESCUE OF REAL ESTATE
(*Windsor Star*)

Mr. Drew proposes that the Ontario Government, if he is called upon to form it, will assume at least fifty percent of the school taxes now charged against real estate . . . If that were done in Windsor it would knock about 10 mills off the tax rate. That . . . would prove a relief to all taxpayers.

DREW, NIXON, AND SCHOOL TAXES
(*Ottawa Journal, July 13, 1943*)

> **There will be a sweeping revision of our whole system of real estate taxation so that the owning and improvement of homes will not be discouraged by excessive taxation."**

This clearly is one of the most important of the 22 points in the election program issued by Mr. George Drew, Ontario leader of the Progressive Conservative party.

Mr. Drew, elaborating briefly, said that "as the initial step" the provincial government would assume "at least 50 per cent of the school taxes now charged against real estate," but explained that this change would not affect "the authority of the local school boards." . . .

Mr. Drew's declaration of principles makes it possible to relieve a grievance which has existed for many years. We tell men and women that they should own their own homes—but we pile on those homes such a load of taxes that ownership often is a grievous burden which rests most heavily, by comparison, on those least able to pay. There was a classic example in the depression days when a very large part of the cost of direct relief was charged against the communities and so against real estate. Here was a situation which the municipalities had not brought about, could not cure, and for which they had no responsibility at all, and yet the unfortunate taxpayer was left "holding the bag" because there was no lesser government to which he could pass it. Only now are Ontario cities recovering from this gross injustice.

It would seem elementary that the cost of education should be distributed as widely as possible among all the people, and yet our present system throws (in the cities at least) the lion's share of it upon real estate. Mr. Drew, speaking after his nomination in High Park, Toronto, said that in Britain, in Australia and New Zealand, the greater part of school costs is borne by the State. Ontario should follow their example, and according to the Progressive Conservative leader it can be done without any increase in provincial taxes. "This province," he told the Toronto meeting, "was over-taxed last year by an amount considerably more than would be involved in these changes."

Here is a first-class election issue, with the Liberal Premier Nixon defending the old system and the Progressive Conservative party urging changes little short of revolutionary. No one can say this time there is "no difference" between parties.

VOTE AUGUST 4 FOR THE

PROGRESSIVE CONSERVATIVE PARTY OF ONTARIO

Published by Progressive Conservative Party of Ontario

We Have Been Asked . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Income of Estate

I have to deal with an estate left to three beneficiaries, the widow, a son (a minor), and a niece resident in the United States. The net income of the estate in 1942 was $899, yielding each beneficiary less than $300 per annum. Is the estate responsible for income tax on the total income and if so at what rate or are the beneficiaries directly responsible?

The two beneficiaries resident in Canada would be personally responsible for income tax on the amount they receive, we understand. If their total income for the year were less than $660 they would have no income tax to pay.

In the case of the non-resident niece, you should deduct the 15% non-resident tax and remit it to the authorities. Then, if she pays income tax in the United States, she will be allowed credit for the tax paid in Canada.

Goes to Jamaica

A resident of Canada is forced for reasons of health to leave Canada on Sept. 1, 1943, and reside in Jamaica for one year. His employer, a Canadian company, from compassionate grounds and also for services to be rendered in Jamaica, is continuing his salary. What position is he in as regards income tax?

He will be liable to the Canadian authorities for income tax for both 1943 and 1944. He would, however, be allowed credit for any tax he pays in Jamaica against his Canadian income. If he has any income on which he does not pay Canadian tax he will not be able to deduct Jamaica tax on that from his Canadian tax.

Investment Income

Recently I inherited some money which gives me an investment income of $1,200. I have income tax deducted from my salary every month. Should I be making any payments on my investment income?

You will find it easier to meet your total tax liability for the year if you make payments on your investment income every quarter. You start by computing your total income for the year and calculating your total income tax. Subtract the deductions your employer makes and then pay 45% of the remainder now, 25% on Sept. 30 and the balance by Dec. 31. Had you been receiving this investment income all year, you would have been expected to pay 20% of the extra tax due by March 31, and 25% by June 30, 25% by Sept. 30 and the balance by Dec. 31.

INVESTMENTS

M. & O. Paper

Please sketch for me the current earnings position of Minnesota & Ontario Paper Co. and the prospect for maintaining or improving on the present showing.

Minnesota & Ontario Paper Co. earned $1.09 a share in 1942 compared with 91 cents in 1941 and 74 cents a share in 1940. Newsprint rationing introduced in the United States and Canada is an unfavorable factor from a current earnings standpoint but the price of newsprint was increased $4 a ton last March and another increase of a similar or larger amount is now mooted. It is possible, therefore, that increased income resulting from higher newsprint prices may offset the effects of lower production due to paper rationing.

Interest on the company's income bond issue is being earned many times over and payments are up to date. Through purchases of bonds, funded debt was reduced from $9.8 millions at the end of 1941 to $8.7 millions at the end of 1942.

Ontario Nickel Corp.

Some months ago I purchased some shares in Ontario Nickel Corp. as a speculation on the recommendation of my broker. Since then the price has declined considerably and I am wondering what may have caused this. Will you bring me up to date on the company's activities?

Ontario Nickel Corp. has announced plans for reorganization on a basis which will provide one new share for each five present shares held. In announcing plans for reorganization, President T. M. Mungovan reports that the policy of shipping high grade ore to International Nickel Co. was found economically unsound and that a new plan to be considered should provide for "orderly and scientific development" of the Moose Lake property.

President Mungovan says directors were faced with two alternatives: to continue shipping until all the high grade ore had been mined or to procure a substantial sum to finance development. After receiving the opinions of two mining engineers, directors decided to take the latter course.

At a meeting called for July 23, approval is sought to an agreement with Federal Trading & Agency Ltd. under which the Ontario Nickel assets would be sold to a new three-million-share company for 1,200,000 shares. This is the stock which would be distributed to Ontario Nickel shareholders. Federal Trading has agreed to purchase 500,000 shares for $100,000. This would be equivalent to 4 cents a share for present Ontario Nickel Corp. stock.

Reno Situation

Is there any chance of Reno Gold Mines making a comeback? What has happened since the property was closed down some time ago?

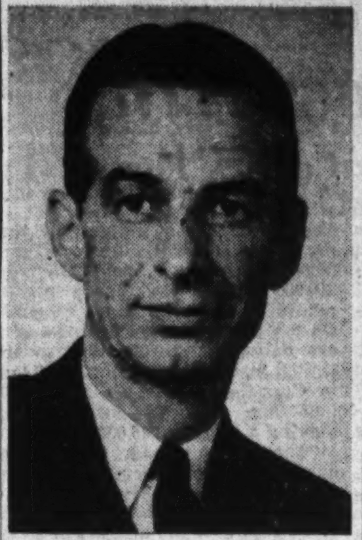
Reno's property was considered to be fully depleted before the decision to liquidate the majority of the company's holdings. It is planned to retain the interest in Central Zeballos which stands a good chance of carrying on profitable mining operations again after the war. A total capital distribution of 27 cents a share has been made by Reno to date and a small amount of working capital remains on hand, it is understood.

Can. Industrial Alcohol

Please give me a brief outline of the current earnings and financial position of Canadian Industrial Alcohol Co. Has the war been having aserious effect on the company?

Earnings of Canadian Industrial Alcohol Co. for the six months ended Feb. 28, 1943, were equal to $247,892 or 22 cents a share compared with 24 cents a share for the corresponding period ending Feb. 28, 1942. Operations have been affected by curtailment of alcohol production for civilians but it appears that the trend of total production is upward due to war demands for alcohol. Expansion of plant has been entertained with a view to increasing production further.

Financially, Canadian Industrial Alcohol Co. appears to be in a strong position. The company has no funded debt and working capital of $4.6 millions at Aug. 31, 1942, was equal to slightly over $4 a share on the company's combined class "A" and class "B" stock issues. Class "B" stock, of course, enjoys no voting privileges.



JOINS AGENCY

Brian Devlin, who has joined the Montreal staff of Young & Rubicam, Ltd., advertising agency.

Ontario Hydro Accounts Show Higher Revenues

Commission Reports 11.5% Increase in Power Demand and $15 Millions Spent on New Construction in 1942

Total electrical output of 11.7 billion kw.h. for the year ended Oct. 31, 1942 represents an 11.5% increase for electrical power, Ontario Hydro-Electric Commission reveals in its annual report. Fifteen million dollars was spent on new construction, the total since war's outbreak reaching over $50 millions. Total capital investment is $483.3 millions.

Voluntary saving of electricity and restrictive measures introduced by the Dominion Power Controller enabled the demands of war industry to be fully met, with the exception of a few brief minor cuts in power supplies.

Accounts of the systems—Niagara, Georgian Bay, eastern Ontario and Thunder Bay—owned by the Commission, and the consolidated accounts of the co-operating municipalities are shown below. The northern Ontario system is operated by the Commission as trustee for the Provincial government.

Under the Commission's system of accounting the balancing item in the income accounts is the amount remaining to be returned to municipalities. This figure has stayed fairly constant. However, there have been increases over the previous year in all items of reserves and appropriations except that for rate stabilization. This latter item, to keep rates stable during periods of reduced earnings, corresponds to the earned surplus of a company and takes into account the public nature of the enterprise.

In the Commission's accounts no item is specifically designated to depreciation while, unlike ordinary company practise, payments to sinking fund are put down as current expenses. Sinking fund provision, together with appropriation for contingencies and obsolescence, contain provision for depreciation, obsolescence and unforeseen expenses.

In the consolidated accounts of the co-operating municipalities a surplus of $2.5 millions for 1942 is shown—somewhat below the previous year's figure. These accounts allow for sinking fund, depreciation, and other reserves all of which is charged to current expenses.

Income Account—Years Ended Oct. 31
(Includes Niagara, Georgian Bay, Eastern Ontario and Thunder Bay Systems)

	1942	1941
Gross revenue	$48,590,812	$43,596,090
Less: Pwr. purch.	10,983,241	9,046,129
Operating, maint. & administration	8,058,512	7,086,664
Interest	13,322,871	12,733,859
Net income	16,226,188	14,729,438
Less reserves:		
Renewals	2,559,850	2,409,572
Sinking fund	3,037,120	2,925,746
Net profit	10,629,218	9,394,120
Less appropriations:		
Conting. & obsol. .	7,386,166	6,109,585
Rate stabiliz.	2,558,572	2,601,346
Return to munic. .	684,480	683,189
Balance	nil	nil

Consolidated Balance Sheet

As at Oct. 31:	1942	1941
Fixed assets	$307,742,053	$295,854,595
Investments, invent., & deferred assets .	7,902,666	7,967,615
Current assets	9,031,450	7,831,791
Res. & sink. fund..	56,523,396	54,483,712
Total assets	381,199,565	366,137,713
Funded debt	207,441,570	208,578,511
Suspense & other ..	1,802,039	1,647,531
Current liabs.	5,027,418	9,943,173
Reserves	98,929,916	83,543,112
Sinking fund res. ..	67,998,622	62,425,386
Total liabs.	381,199,565	366,137,713
% funded debt to total assets	54.5	56.9

Municipalities Consolidated Operating Report
Years Ended Dec. 31

	1941	1942
Earnings	$41,062,981	$42,491,263
Less expenses:		
Power purchased .	26,017,261	26,459,901
Oper., admin. & maintenance ...	6,335,292	6,602,220
Interest	1,027,985	973,384
Sinking fund	2,248,937	2,006,148
Deprec. & other reserves	2,933,731	3,586,199
Surplus	2,499,775	2,863,411

Consolidated Balance Sheet

	1941	1942
Total plant	$101,088,593	$102,086,459
Equity in H.E.P.C..	52,458,225	57,080,492
Current assets	23,216,273	26,379,288
Total assets	176,763,091	185,546,239
Funded debt	17,805,415	16,184,643
Current liabs.	6,378,023	5,311,820
Reserves:		
For H.E.P.C. equity	52,458,225	57,080,492
Depreciation	27,795,986	29,840,207
Other	3,592,385	4,907,810
Total reserves	83,846,596	91,828,309
Surplus:		
Debentures paid ..	39,943,340	41,183,741
Local sink. fund .	5,530,648	5,445,200
Oper. surplus	23,259,069	25,592,526
Total surplus	68,733,057	72,221,467
Total liabilities	176,763,091	185,546,239

Leitch Opens Valuable Ore

From Our Own Correspondent

GERALDTON.—High grade ores are reported to have been opened up over narrow vein widths in the development work of Leitch Gold Mines, grades running up to 3.6 ounces a ton on the 13th level.

The best results obtained are in vein systems Nos. 1, 2 and 4 on the 13th level. Mine development has been carried on on a reduced scale, being concentrated mainly on the 12th and 13th levels. Ore extensions opened up on the 13th level are as follows:

Vein:	Total lengths ft.	Average widths in.	Grade in per ton oz.
No. 1	220	20.1	1.86
No. 2	40 275	9.9 14.4	1.29 3.60
No. 3	155	37.5	0.386
No. 4	40 125 120	27.6 26.9 40.0	0.505 2.57 0.798

On the lowest level, the 14th at 1,650 ft., ore disclosures have been as follows with veins Nos. 1 and 6 not yet opened up.

Vein No.	Total lengths ft.	Average widths in.	Grade in per ton oz.
2	30	11.3	1.444
2	570	14.1	1.619
3	140	65.0	1.119
4	95	17.7	1.460
4-D	165	35.1	0.939

Diamond drilling on the 14th level has intersected the regional, flat-lying diabase sill at 1,850 ft. and the geological structure indicates a strong possibility of persistence of the ore bodies below the sill, it is stated. The present ore position of the mine indcates upwards of 11 years' ore at the present rate of production, it is estimated.

Operating profit of the mine for the first quarter of 1943 was $135,791, just slightly over the average quarterly figure for 1942. Net profits for the quarter were $70,102 or 2.46 cents a share. It is expected that production in the second quarter will closely approximate that of the first.

Stadacona Rouyn Status Reported

From Our Own Correspondent

MONTREAL.—Stadacona Rouyn Mines Ltd. during the liquidation period ended Nov. 30, 1942, had a gross revenue of $2.4 millions, according to a special report issued by liquidator George Duclos.

Expenditures during the period totalled $1.9 millions, leaving an operating profit of $508,779 before depreciation, depletion and other contingencies.

From this total must be deducted, says Mr. Duclos, unavoidable capital expenditures and the costs of shaft sinking amounting to $162,475, leaving a net current surplus of $346,304.

Increase Ore Reserves

During the period of liquidation, ore reserve was increased by 150,000 tons and the shaft deepened to the 2,325-ft. level by 1,000 ft. of new shaft work and the establishment of six new levels.

After noting progress achieved, Mr. Duclos states: "There is further work to be done in the interests of all those involved, such as adjusting or rejecting what are known as disputed claims, continuation of clarification of the "note" situation and of the trade claims." He asked shareholders to co-operate by indicating their views regarding future policy.

Subsidy Costs to be Up $50 Millions This Year

When Mr. Ilsley tabled in the House on July 8, 1943, a break-down of the estimated $120 millions required for subsidies in connection with Canada's price control policy for the forthcoming fiscal year, there was revealed an approximate increase of $40 millions over the preceding period.

From the accompanying table it will be seen that estimates for 1944 provide subsidies for such items as basket manufacturing, for cereal products, cheese boxes, frozen eggs, lumber, soap and shortening, pit prop and mine ties, pit wood, potatoes, foodstuffs transportation and other miscellaneous items. These were not included in the 1943 figure which, however, provided subsidies for strawberries and freight for flaxseed.

An increase of approximately $9 millions is indicated by the estimated figures for domestic subsidies for 1944 over 1943, while almost $30 millions is shown for 1944 import subsidies, compared with the previous term.

SUBSIDY COSTS

	Est. for year end. Mar. 31 1944	Total to Mar. 31 1943
	$000	
Domestic Subsidies:		
Butter-fat	3,000	10,079
Milk (consumer) ...	20,000	3,660
Milk (prime producer)	1,100	2,173
Footwear	1,200	3,272
Coffee & tea	400	2,682
Groceries	2,000	1,536
Canned goods	2,000	1,509
Garment leather ...	1,175	1,284
Coal	1,300	1,186
Butter inventory ...	350	212
Peaches	15	53
Strawberries	....	72
Fertilizer	80	31
Flaxseed (freight) ..	....	19
Basket manufacture	750	....
Cereal products	5	....
Cheese boxes	40	....
Frozen eggs	40	....
Lumber	1,100	....
Soap & shortening ..	1,850	....
Pit prop & mine ties	20	....
Pit wood	373	....
Potatoes	1,500	....
Foodstuffs (trans.)..	200	....
Miscellaneous	1,500	....
Total	40,000	31,000
Import Subsidies:		
Petroleum products ..	24,000	24,028
Raw cotton & cotton fabrics	24,000	2,426
Wool	5,000	....
Miscellaneous	11,000	619
Foodstuffs:		
Tea	....	1,199
Cocoa beans	....	693
Prunes	....	471
Rice (uncleaned)..	....	445
Oranges	....	123
Grapefruit juice ..	....	213
Other foods	....	255
Other Items:		
Raw hides & skins	....	700
Copra	....	537
Coal (anthra.)	....	292
Brown corn	....	360
Fertil. (ingred.) ..	....	279
Tableware, etc. ...	....	57
Metals & mfrs.	....	34
Total	64,000	34,162
Trading Losses:		
Commodity Prices Corp.	....	2,111
Wartime Food Corp.	....	831
Can. Wool Board ...	....	62
Wartime Salvage ...	....	436
Alcohol (indust.) ...	700	....
Beeswax	20	....
Binder twine	240	....
Bristles	240	....
Butter (dairy)	40	....
Cheese box mater. ..	60	....
Chemicals (fert.) ...	2,400	....
Cocoa beans	500	....
Cotton yarn for binder twine	5,600	....
Dried fruit	1,200	....
Wool yarn & fabrics	4,000	....
Expenses (admin.)..	1,000	....
Total trading losses	15,000	3,441
Admin. expenses ...	1,000	....
Grand total	120,000	68,602

New Wartime Regulations

Spruce and Lodgepole Pine. WPTB order A-788, June 26, sets manufacturers' and wholesalers' prices for spruce and lodgepole pine originating in Manitoba, Saskatchewan, Northern Alberta and the northern interior region of British Columbia. Effective July 5. Timber Adm. A. H. Williamson.

• • •

Ration Coupons. WPTB order 290, July 6, amends sections 41 of order 242; 34 of order 243; 42 of order 244 and 50 of order 276. Effective July 10. WPTB Chairman Donald Gordon.

• • •

Men's, Youths' and Boys' Woollen Work and Sports Clothing. WPTB order A-809, July 12, gives specifications for the manufacture of work and sports clothing and amends order A-207. Effective July 16. Adm. of Fine Clothing (Woollens), H. R. Cohen.

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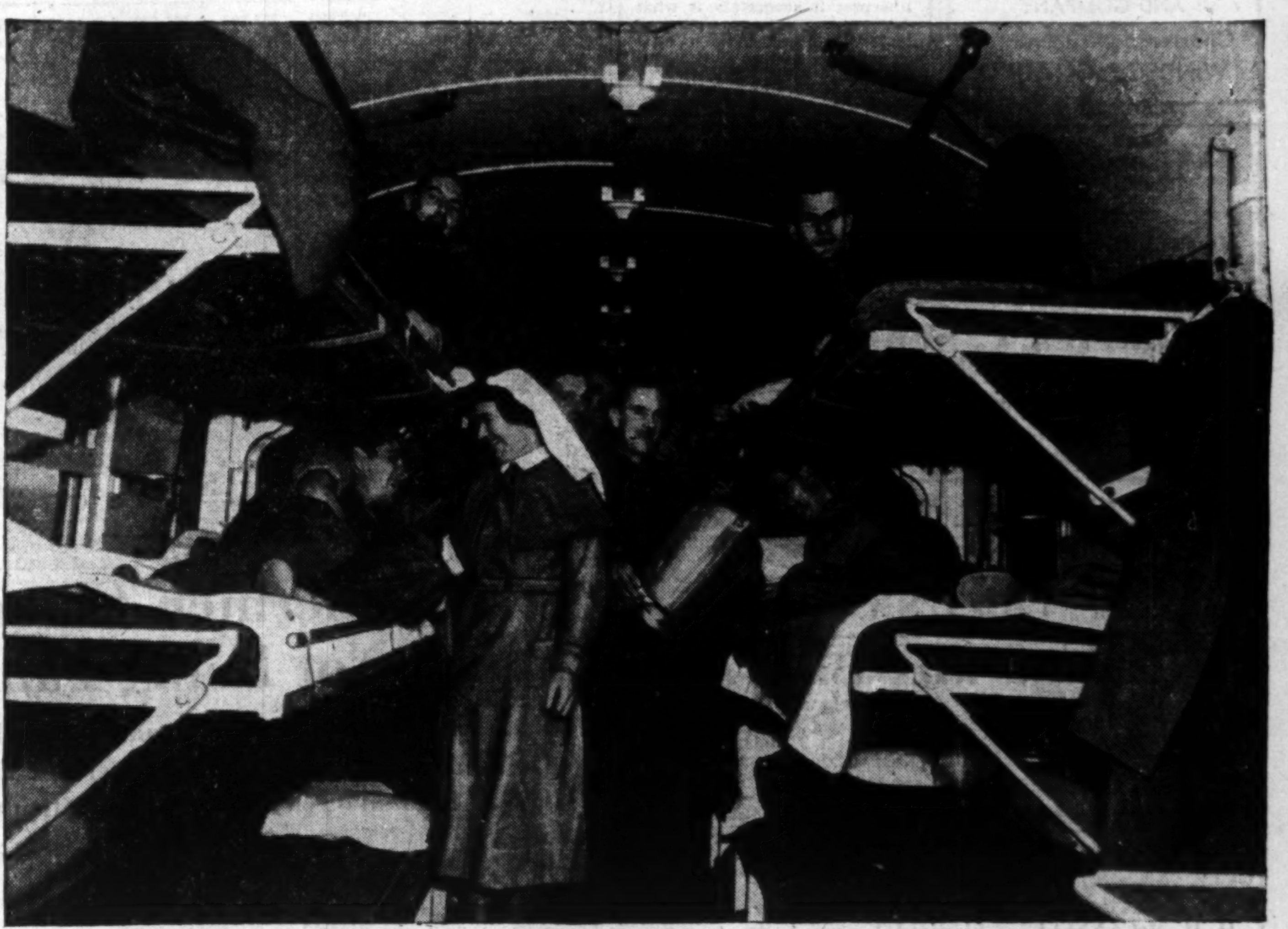

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Canadian-made Masonite Efficiently Replaces Many Critical Materials

Solid comfort at sixty miles an hour! That's what Britain's soldiers are enjoying now in their compact, three-tiered comfortable hospital trains. These modern clinics on wheels whisk Britain's wounded from hospital ships that dock at the great sea-ports to the many inland hospitals throughout the British Isles. At Canadian ports, too, rapid modern hospital trains are in readiness to move Canadian troops swiftly and comfortably to hospitals throughout the Dominion.

Snug weather-proof hospital trains like this had to be built in a hurry—and in no ordinary quantity! They had to be fitted-out fast to meet the Red Cross ships returning from Mediterranean ports with wounded British heroes. That's where Canadian-made, easy-to-handle Masonite that has such a multiplicity of uses came into its own! Masonite helped make it possible for these new British hospital trains to be panelled, roofed and partitioned with a rugged, durable material that can be kept clean and spotless, smooth and sanitary, with a minimum of effort. Masonite found other uses on hospital trains in making medicine, utility, bathroom, linen, storage and sink cabinets.

Fitting out hospital trains that comfortably convey our heroes in both Britain and Canada has been *only one* of Masonite's important wartime jobs. One house in every five in bomb-battered Britain has been damaged; hundreds of hospitals, schools and churches have suffered. The job of re-building is an enormous one, and there's a pressing need for the simplest articles of household furniture, things that mean a bare minimum of comfort like tables, chairs and cupboards.

• • •

Today Masonite is not available for most civilian uses. But when the war is won, it will again be ready to provide your home with beautiful walls and ceilings, built-in-furniture, kitchen cabinets and counter tops, and many other attractive and durable features.

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Allow More Chlorine For Paper Operations

A slight increase in the allowance of chlorine for converting waste paper pulp into bleached paper is announced by the Department of Munitions and Supply.

The new amendment provides that the brightness of such paper shall not exceed 74% of the brightness of magnesium oxide. This is 4% higher than the maximum allowed since November, 1941 under a previous amendment to the first order issued by the Chemicals Controller. This brings the regulations into line with changes made recently in the corresponding United States order.

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See Price Talk Recurring

ANPA Claims Lack Strong Policy Carries Threat

From Our Own Correspondent

MONTREAL. — If the policy is pursued by Canadians of not taking any special steps to maintain the volume of wood cutting because of the manpower situation and the supply of newsprint from Canada to the United States is allowed to dwindle, the American Newspaper Publishers Association, in a special bulletin to its members, says Canadians will be making frequent and periodic visits to Washington demanding further increases in newsprint prices.

The volume of production in any business as in newsprint has an important bearing upon cost, says the Association. If the price of newsprint is to be maintained at a level which will make it possible for American newspapers to operate without losses and have some assurance and security about their supply of newsprint, it adds, then there must be clarification soon about what Canada will do in assuring a supply of newsprint commensurate with the needs of American newspapers.

Curtailment Necessary

The special bulletin to the Association members summarizes the newsprint situation as follows:

"The necessity for the WPB order for 5% reduction in newsprint consumption for the third quarter beginning July 1, 1943, arose from the failure of the original limitation order L-240, to bring about an actual reduction in consumption of 10% under 1941 consumption in corresponding quarters. The over-all reduction of 5% in consumption for the first six months of 1943 made it necessary to have an over-all additional reduction of 5%. In the light of what happened in July and August, both regarding supply and consumption, the Newspaper Industry Advisory Committee will have to consider a recommendation about the quota of newsprint to be allowed in the fourth quarter beginning Oct. 1, 1943.

"As to price, reports from Washington indicate that OPA has been giving active consideration to the application of both the United States and Canadian mills for an increase in price. It is not believed that United States mills have been aggressive in urging early action by OPA but it is known that Canadian mills have been pressing actively their demand for an increase in price ever since the $4 increase was granted by OPA, effective March 1, 1943. At that time the Canadians asked for an increase of $8 although previously there had been reports that $10 was the amount of the increase sought by the Canadians.

Price and Supply Interlock

"Regardless of the facts as they are interpreted to various publishers, it does seem that the matter of price is interwoven with the matter of supply from Canada. The Canadians have stated that they will continue to supply newsprint to the United States at the rate of 210,000 tons per month through the third quarter but they do not indicate in any way what they will do in the fourth quarter. There have been suggestions that the Canadians will reduce the tonnage going to the United States from 210,000 tons in the fourth quarter regardless of what price prevails. On the present basis Canadian mills are delivering 210,000 tons to the United States each month; 16,000 tons to Canadian consumers and 20,000 tons are provided for overseas, making a total of 246,000 tons.

"There are a considerable number of publishers who recognize that the wood supply is the key to newsprint production in Canada but back of the wood supply is the manpower situation. These publishers feel that if sufficient manpower is provided in Canada there can be a reasonably adequate supply of newsprint but the supply from Canada will diminish unless Canada takes steps to assure a greater wood cut. While United States publishers recognize that it is Canada's own responsibility to fix her manpower policies and execute her war program, disquieting reports continue to reach United States publishers about a considerable amount of manpower being taken from cutting wood into Army service, but these forces, by Canadian law, cannot be sent overseas except on a volunteer basis. In addition, in Canada agriculture or farming is a basis for deferment from military service but pulpwood cutting is not classified as a basis for deferment from Canadian military service. In the United States both pulpwood cutting and agriculture are grounds for deferment from military service."

Newsprint Box-Score

PRODUCTION

	June 1943	June 1942	Jan.-June 1943	Jan.-June 1942	Dec.
Canada	257,845	242,762	1,443,670	1,658,174	214,504
United States	70,274	79,386	412,489	483,880	71,391
Newfoundland	20,538	20,345	93,085	155,258	62,173
Total	348,657	342,493	1,949,244	2,297,312	348,068

SHIPMENTS FROM CANADA

	June 1943	June 1942	Jan.-June 1943	Jan.-June 1942	Dec.
Canada	16,157	16,672	95,434	102,570	7,136
United States	228,123	225,510	1,247,928	1,416,860	168,932
Overseas	24,710	11,101	113,064	103,427	*9,637
Total	268,990	253,283	1,456,426	1,622,857	166,431

*Increase.

PRODUCTION AND SHIPMENT RATIOS
(Percentage of Capacity)

Production June 1943	Production June 1942	Shipments June 1943	Shipments June 1942
69.6%	65.6%	72.7%	68.4%

SHIPMENTS FROM NEWFOUNDLAND

	June 1943	June 1942	Jan.-June 1943	Jan.-June 1942	Dec.
Newfoundland	85	57	476	384	*92
Overseas	15,942	10,833	29,589	34,733	5,146
United States	15,347	14,019	77,526	95,757	2,231
Total	31,374	24,909	107,591	130,874	23,283

*Increase.

STOCKS OF NEWSPRINT ON HAND

Mills:	June 30 1943	June 30 1942	Dec.
Canada	79,229	169,409	90,180
United States	10,978	16,076	5,098
Newfoundland	52,340	98,548	46,208
Total	142,547	284,033	141,486

U.S. Lumbermen Claim Canada Not Being Fair

Despite Vast Resources of Standing Timber B. C. Hasn't Had Logs to Ship American Mills Owing to Manpower and Weather Difficulties

From Our Own Correspondent

VANCOUVER. — United States politicians and lumber interests continue to claim lack of co-operation from Canada in supplying logs for American pulp and sawmills. At a hearing of a congressional committee in Seattle recently, lumbermen protested that, while British Columbia had plenty of timber, Washington State mills were forced to run on short rations of raw materials or not at all. They implied that Canada was not playing her part of the game in pooling raw materials for the united war effort.

The Americans complain of an embargo on B. C. logs. Actually the embargo is only a partial one. Cedar logs, vitally needed for the shingle mills, are not subject to restriction at all and large numbers have been towed across the border to American mills. There has been an embargo on Douglas fir and it will probably continue, as British and Canadian requirements of this species far exceed the supply.

As for pulp logs—hemlock and balsam—the Canadian authorities have endeavored to remedy the shortage in Washington State, and 15 million ft. have been released by the Timber Control for export. More will probably be shipped during the coming months, depending on domestic supply.

The arrangement whereby 15 million ft. were made available for export was accomplished only through the co-operation of Pacific Mills, Ltd., operating up the west coast, which happened to have a surplus and agreed to compensate other B. C. pulp and paper mills for the logs diverted to the U. S.

Labor Shortage Serious

Manpower shortage is at the root of the log production problem. At the beginning of the year output was down 40% in the important coastal area, as compared with last year, and the situation was aggravated by unfavorable weather conditions which hampered woods operations. Since then there has been a gradual improvement, but in June production of all timber species in the province was still 10% down and for the entire six months period the decline was about 25%.

In the pulpwood division, during the first four months of 1943, 115.4 million ft. of hemlock and 27.3 million ft. of balsam were cut, compared with 163.4 million ft. of hemlock and 32.5 million ft. of balsam in the corresponding period in 1942.

Experiment on Waste Use

In an experiment, on Vancouver Island, Comox Logging & Railway Co. is collecting hemlock debris from former logging operations and shipping it to the Powell River Co. for conversion into pulp. In the old days when hemlock was regarded with scorn on the west coast such an operation would probably not be economic. But with hemlock currently quoted at $15 per thousand ft. it is hoped that the experiment will be profitable. If it is, there is no telling how much "waste" from B. C. forests may become useful in industry.

It is estimated that the timber "lost" every year on a big operation, such as the Comox Co.'s at Ladysmith, is sufficient to meet raw material requirements of a big mill like Powell River Co.

Men in the west coast pulp and paper industry are looking into the possibilities of other research, such as the production of lignin from waste pulp mill liquors, but nothing of a practical nature has so far been done here in that direction.

Noorduyn Output 3.4 Times Year Ago

Output of planes by Noorduyn Aviation Ltd. is still increasing at a substantial rate, according to R. B. C. Noorduyn, vice-president and general manager.

Deliveries of complete aircraft by the company during the first six months of 1943 were 3.4 times the number delivered during the like period of 1942. Production for the first six months this year exceeded the total production for all of 1942, Mr. Noorduyn announced.

U. S. Newsprint Use Restricted

WPB Orders Reduced Inventories and Current Takings

From Our Own Correspondent

MONTREAL. — Beginning Aug. 1 American publishers may not accept delivery of print paper in any one month in excess of one third of their current quarterly quota, plus a similar proportion of any additional quarterly tonnage granted by the War Production Board after an appeal. The WPB also has ruled smaller papers whose deliveries amount to a fraction of a carload may, however, increase their receipts to one carload a month.

Newsprint paper orders for August, if already placed with manufacturer, must be made to conform to the new regulations, which covers deliveries or acceptance of newsprint after Aug. 1, regardless of the date of the order.

Lower Inventories

The new limitation holds inventories of each newspaper to 50 days' supply in the 26 states north of the northern boundary of North Carolina and east of the Rock Mountains. They use about 80% of the print paper consumed in the United States.

An inventory of 75 days still is permitted in the 22 states more remote from sources of supply.

All inventories are based on average daily rates of consumption during the first six months of 1943.

Hold Down Orders

"The purpose of the new delivery requirement is to keep the United States newspaper publishers from ordering more paper than they actually require," according to H. M. Bitner, Director of WPB's Printing and Publishing Division.

Canadian deliveries now are limited to 210,000 tons per month. Recently, United States publishers ordered approximately 12-13% more paper than Canada had agreed to furnish, forcing Canadian authorities to reduce their deliveries by the above percentage. United States mills are also known to have received orders in excess of their present production of 61,000 tons a month and to have experienced the same difficulty in filling orders equitably."

U.S. is Using More Paper

Saving in First Half of Year Less Than Half Anticipated

From Our Own Correspondent

Montreal—Apparent total consumption of newsprint paper in the United States during June amounted to 370,470 tons, according to figures released by the Newsprint Association of Canada. This represents an increase of 2.8% more than in June last year, and contrasts with a corresponding decrease of 2.4% during May.

For the first half of the current year American publishers have used an estimated 1,873,462 tons, compared with 1,887,242 tons for the like period last year, a decline of .7% Compared with the base year of 1941, from which the publishers are supposed to effect a reduction in consumption of 10%, the current rate of usage shows a decline of only 4.3%.

Supply Sources Unchanged

Shipments from Canada during the first six months of this year represented 72% of total United States supply and remained unchanged from the same period a year ago.

Shipments from Newfoundland represented 5%, also unchanged, while shipments from United States mills, at 23% of the total, compared with 24% a year ago.

Apparent total stocks of all United States consumers increased 7,196 tons during June, and amounted to 500,776 tons at the end of the month. Corresponding stocks at the end of June, 1942 and 1941 were 616,418 and 400,714 tons, respectively.

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SUPERFINE LINEN RECORD
Canada's finest bond paper, owes its time-defying strength and beauty to its 100% new rag content. Yet it costs but a fraction of a cent more per letter than the cheapest bond. Your printer, lithographer or engraver will be pleased to produce your stationery on this superfine Rolland paper.

IN the family of papers which bear the "R" Shield watermark are types for every business purpose. Some, like Superfine Linen Record, are supreme examples of the papermaking craft; others are "service" papers for routine tasks. But all are true to the Rolland tradition—all meet the most critical tests of their fitness to fulfill their appointed purpose in their appointed price class.

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High Grade Paper Makers since 1882
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Abitibi Common Holders Meet

At a recent meeting of the Common Shareholders Committee of Abitibi Power and Paper Co. it was decided to work in close co-operation with the Preferred Shareholders Committee with a view to bringing about a plan of reorganization at the earliest possible date.

R. G. Meech, committee chairman, declared that in view of the greatly improved assets and earning position of the company, it should not be difficult to devise a plan which would fully protect the bondholders and at the same time leave the owners of the property, namely the shareholders, in their proper relationship.

The result of the Privy Council decision and its favorable effect on the position of equity holders was gone into thoroughly at the meeting.

Hull Steel Foundries Sales Reflect Changeover

Hull Steel Foundries reports sales for the six months ended May 31, 1943, totalled $1,267,594. This contrasts with $1,345,360 for the same period a year ago.

In the first half of the current year one large ordnance contract was completed; changes in design preceded production on the second contract now in hand. Backlog and unfilled orders will keep the plant busy for more than a year to come.

The foundry is turning out cast steel tank tracks and tow hooks for the Canadian Army; steering gear material for vessels of the Merchant Marine; equipment for the 145 locomotives being built in Canada for use in India, and improved light-weight castings for the newly designed Victory freight cars for the Canadian Pacific Railway.

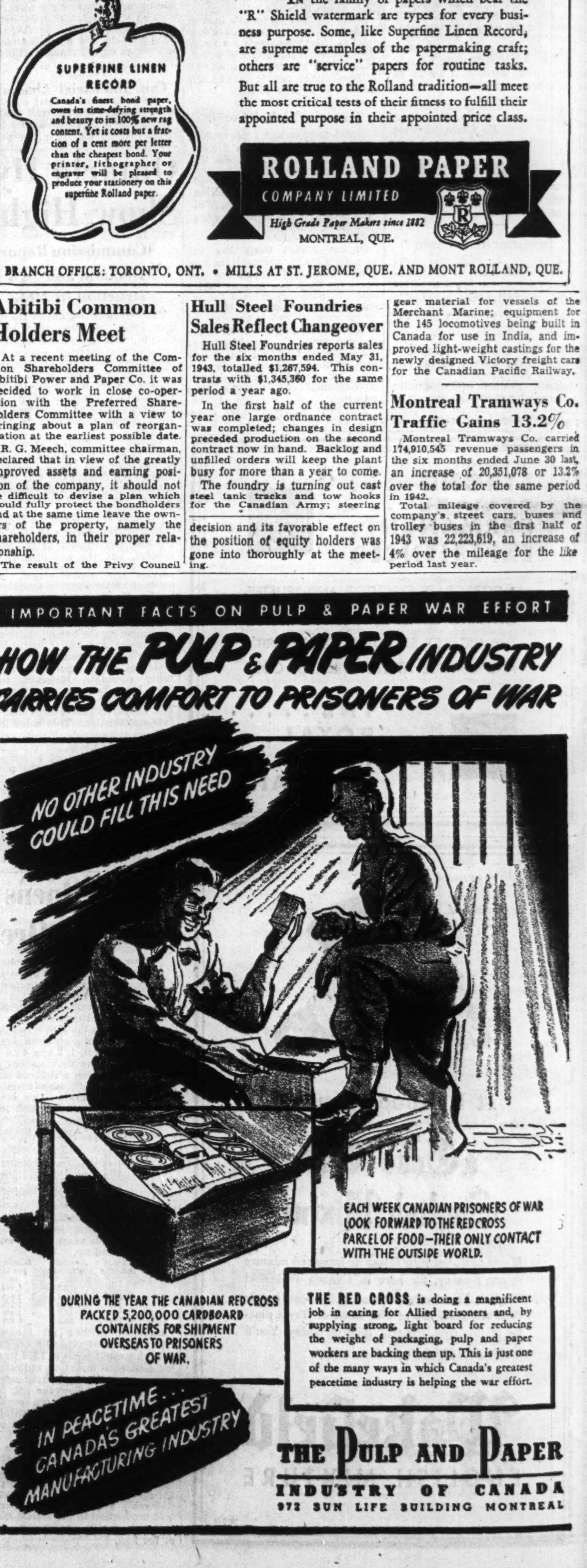
Montreal Tramways Co. Traffic Gains 13.2%

Montreal Tramways Co. carried 174,910,545 revenue passengers in the six months ended June 30 last, an increase of 20,351,078 or 13.2% over the total for the same period in 1942.

Total mileage covered by the company's street cars, buses and trolley buses in the first half of 1943 was 22,223,619, an increase of 4% over the mileage for the like period last year.

IMPORTANT FACTS ON PULP & PAPER WAR EFFORT

HOW THE PULP & PAPER INDUSTRY CARRIES COMFORT TO PRISONERS OF WAR



NO OTHER INDUSTRY COULD FILL THIS NEED
EACH WEEK CANADIAN PRISONERS OF WAR LOOK FORWARD TO THE RED CROSS PARCEL OF FOOD—THEIR ONLY CONTACT WITH THE OUTSIDE WORLD.
DURING THE YEAR THE CANADIAN RED CROSS PACKED 5,200,000 CARDBOARD CONTAINERS FOR SHIPMENT OVERSEAS TO PRISONERS OF WAR.
IN PEACETIME... CANADA'S GREATEST MANUFACTURING INDUSTRY

THE RED CROSS is doing a magnificent job in caring for Allied prisoners and, by supplying strong, light board for reducing the weight of packaging, pulp and paper workers are backing them up. This is just one of the many ways in which Canada's greatest peacetime industry is helping the war effort.

THE PULP AND PAPER INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

Deposit Box Rentals Soar

New Investors Create Demand – Supplies Restricted

With hundreds of thousands of people, who never owned any securities before, buying Victory bonds and War Savings Certificates, a boom market in safety deposit boxes in the banks and trust companies has developed. In many cases demand far exceeded the number of boxes available, and due to production difficulties manufacturers have been unable to keep up with the orders for new ones. Shortage of steel, lack of locks and scarcity of skilled labor have been the main handicaps to production.

In Canada's First War Loan floated in Jan., 1940, there were 178,363 subscribers. In the sixth, last May—the Fourth Victory Loan—the number was upward of 2.6 millions. There was undoubtedly a substantial proportion of repeat subscriptions in each case. But, allowing for this, it is estimated there were ten times as many subscribers to the last loan as to the first. In addition, most of Canada's wage earners are buying war savings certificates.

Many of these people never before owned any securities, and as few care to keep bonds or war savings certificates in their bureau drawers or office desks, the result is a boom market in safety deposit boxes in the banks and trust companies. Supplies are far below demand. The number of new boxes available is altogether inadequate to meet increased needs. Manufacturers have expanded their output enormously but are unable to fill orders.

Second Victory Loan

The first big increase in the demand for boxes came when the payroll deduction plan was put into effect in the Second Victory Loan campaign in March, 1942. Intensified efforts to sell war savings certificates were another factor.

With the number of subscribers augmenting in each successive loan, demand for box space has increased accordingly.

In Larger Offices

People wanting boxes, it would appear, stand a better chance of getting them in the larger offices as accommodation in most smaller places is pretty well taken up. One large concern, however, with over 1,200 boxes of the sizes that rent for $3 and $4 a year told The Financial Post they had only three or four of the $3 boxes available and five or six of the larger ones. Others said their accommodation was completely taken up.

In some cases, it is believed, boxes are wanted for other securities besides war bonds and war savings certificates. Increased national income has resulted in many people who previously had no investments, buying either stocks or industrial bonds as well as houses. In the latter case they want some place to store the deeds. Others again, who had boxes before, now want larger ones, or maybe two small ones. In some cases boxes are shared among two or more people. There has been no increase in the prices.

Larger receptacles of the sizes used by stock brokers, bond dealers and business firms are also in greater demand than for some years. But the situation there is not so acute.

Manufacturers name three difficulties in production: shortage of steel for the boxes; shortage of locks which are made separately; scarcity of labor.

The steel situation, they say, has been a little easier lately. But they still have to get authority to use steel for this purpose.

Locks are not available now from the United States, and Canadian production is not large enough to take care of the demand.

Then even if all materials and parts were available there is not enough skilled labor to do the work. One manufacturer described the situation by saying that while his output was up about three times since the war, orders called for about six times the pre-war volume.

Where bondholders have not been able to get boxes they are in many cases depositing bonds with the banks or trust companies for safekeeping. The government, to encourage people to buy government securities, arranged with the banks and trust companies to take care of people's war bonds and war savings certificates for a small fee. There is a minimum charge of 25 cents a year, with the fee on larger amounts up to $10,000 being 1/10 of 1%.

This charge includes clipping the coupons and depositing the money in the owner's bank account. On war savings certificates the charge begins at 10 cents for each $5 certificate for the whole 7½ years and ranges up to $1 for each $500 certificate.

Taxes Facilities

In some cases the demand for extra accommodation of this kind taxes branch office facilities. Accommodation has to be fire and burglarproof and difficulty is found not only in getting steel for safety deposit boxes but also for safes. Hope that the situation may ease is contingent on the government feeling that adequate safety deposit box or safe accommodation is an important factor in selling government war securities. Accordingly, it is hoped, if military exigencies permit, a larger supply of steel may be available to relieve the situation.

Company Reports

Mersey Paper

Mersey Paper Co. reports sharply lower gross and net income in 1942. Gross profits after depletion of $787,877 compared with $1.4 millions the year before. After providing for interest charges, the balance was reserved for depreciation. The year before there was a profit of $286,032 which permitted payment of a 3% dividend on the preferred stock, amounting to $150,000, leaving a surplus of $136,032.

Consolidated working capital at the end of the year shows an improvement, while the funded debt was reduced last year by $134,000 to $5,037,500.

Income, Surplus—Year Ended Dec. 31	1942	1941
Gross profits	$787,877	$1,407,897
Less: Depreciation	535,689	659,885
Tax Provision	......	172,136
Fixed Charges	252,188	277,062
Debt Discount	37,383	12,762
Net Profit	37,383*	286,032
Less: 3% Pfd Dvd.	......	150,000
Surplus for year	37,383*	136,032
Add: Previous Surplus	906,778	770,746
Surplus forward	869,395	906,778
*Deficit.		
Common Earned	......	.07c
Working Capital	$2,264,303	$1,570,819
Balance Sheet Charges		
Accts. Receivable	$1,200,679	$879,206
Inventories	1,675,238	1,651,257
Govt. Bonds	300,000	......
Accts. Payable	510,433	357,067
Bank loan	......	278,000
Bonded Debt	5,037,500	5,171,500

Brown Co.

A reduction in net earnings after taxes of over 50% is reported by Brown Co. for the 28 weeks ended June 12, 1943.

The company, which has a Canadian subsidiary, Brown Corp., attributes the reduction to shortages of wood. The company's smaller pulp mill has been closed down and its main pulp plant at Berlin, N.H., is running 79% capacity. Full production is being maintained at the paper mill at Berlin. Higher costs for pulpwood and labor have also contributed to the drop in profits. Pulp production at La Tuque, Canada, is at present running at full capacity.

Earnings Statement 28 Weeks ended June 12	1943	1942
Net earnings	$1,593,230	$3,146,915
Less: Income taxes	918,500	1,769,200
Net income	674,730	1,377,715

Bowater's Nfld. P. & P.

Net profits of Bowater's Newfoundland Pulp & Paper Mills were more than cut in half for 1942 as compared with 1941, the $4-a-ton increase in price allowed by the U. S. Government being insufficient to compensate for steadily increasing costs, the company's president, J. C. Fitzgerald, states in his report to the shareholders.

A deficit for the year was shown after provision for preference dividends. Sinking funds resulted in a reduction of the first mortgage bonds and debenture stock to the extent of $201,365.

In Jan., 1943, the company's 5½% "B" debenture stock was redeemed at 105 and replaced by an issue of £1.8 millions of a new 3½% "B" debenture stock, guaranteed as to principal and interest by the Government of Newfoundland.

Consol. Income Surplus Years Ended Dec. 31	1942	1941
Net earnings	$2,518,204	$3,031,671
Less: Bond interest	511,929	514,626
Debenture interest	669,479	679,328
Deprec. & deplet.	884,169	878,649
Bond disc. & exp.	16,380	16,390
Net profit	436,247	942,678
Less: Pref. divid.	464,880	464,880
Surplus for year	*28,633	477,798
Add: Prev. surplus	3,947,862	3,470,064
Balance forward	3,919,229	3,947,862
*Deficit.		
Earned per share		
Preferred	$0.21	$0.45
Paid	0.2235	0.2235
Common	......	0.55
Working capital	$6,954,981	$7,681,677

Thrift Stores

Financial statement of Thrift Stores Ltd. for the year ended Mar. 27, 1943, is the best reported in some years, operating profit totalling $220,400, as against $164,825 the year before. During the year the number of stores in operation was further reduced, but sales volume continued to increase.

After providing for minimum taxes, net profits were equal to $3.27 a share on the common stock, compared with $1.55 the year before. In his report to shareholders, R. H. Hommel, president, states standard profits of the company have been ascertained by the board of referees, and "it is the company's intention to apply, under the Excess Profits Act, for a reserve against future declines in inventory values."

Income, Surplus—Years Ended	Mar. 27 1943	Mar. 28 1942
Operating profit	$220,400	$164,825
Less: Exec. & legal	27,713	24,996
Depreciation	33,925	35,066
Income & E. P. T.	65,657	42,975
Interest	......	176
Net profit	93,105	61,612
Less: Prev deficit	44,846	96,286
Loss on fixed assets	2,196	5,483
Inc. tax adj.	2,633	4,689
Adj. conting. res.	40,000	......
Earned surplus	3,430	*44,848
*Deficit.		
Earned Per Share:		
1st preferred	7.83	4.49
2nd preferred	6.15	3.28
Common	3.27	1.55
Working Capital	$303,151	$206,802

East Kootenay Power

East Kootenay Power Co., subsidiary of Power Corp. of Canada, reports relatively little change in earnings during the year ended March 31, 1943. Net profit amounted to $9,569, as against $10,265 the year before.

The balance sheet reflects a moderate strengthening. Working capital improved by $57,000 to $156,345, while bonded debt and amount owing to Power Corp. of Canada was reduced.

Income, Surplus—Years Ended Mar. 31	1943	1942
Gross revenue	$738,993	$722 450
Less: Expenses	320,400	283,463
Interest	255,374	262,579
Depreciation	135,000	144,000
Pension fund	7,850	5,000
W/o empl. stock	......	5,230
Reserve accts.	2,300	......
Tax reserve	8,500	11,913
Net profit	9,569	10,265
Previous surplus	*60,623	44,453
Surplus forward	70,192	54,718
*Adjusted.		
Working capital	$156,345	$99,354
Balance Sheet Changes		
Cash	$94,446	$99,969
Materials	71,287	45,902
Investments	25,000	.....
Fixed assets	5,575,590	5,549,104
Bonded debt	1,893,000	1,916,000
Due Power Corp.	1,806,182	1,849,032

Interim Figures

For the two months ended May, the company had a gain of $4,100 in gross earnings, but practically all of the increase was swallowed up in higher expenses.

May	1943	1942
Gross earnings	$62,004	$60,556
Oper. expenses	22,454	22,334
Net earnings	39,550	38,222
Two Months Ended May		
Gross earnings	$121,995	$126,095
Oper. earnings	44,516	48,553
Net earnings	77,479	77,542

Note:—Operating expenses do not include income and excess profits tax.

Can. Gen. Investments

Net profits of $253,435 were earned during the six months ended June 30, 1943, by Canadian General Investments, this figure including provision for income taxes of an undetermined amount. This is equivalent to earnings of 42 cents a share, from which 40 cents was paid in dividends.

Through sale and redemption of securities a capital gain of $69,764 was obtained and credited to capital surplus. Net liquidating value of the company's shares was $14.69 at June 30, 1943, compared with $11.24 a year ago.

The company has holdings in 186 securities of a book value of $7.3 millions and a market value of $8.8 millions. No quotations are available on securities having a book value of $23,114.

Income, Surplus Six Months Ended June 30	1943	1942
Income from invests.	$275,780	$242,453
Less: Management fee	12,500	12,500
Directors' fees	120	1,310
Misc. expense	1,397	1,588
Mine invest. res.	8,328	......
Net profit bef. inc. tax	253,435	227,055
Less: Dividends	240,235	150,145
Surplus before tax	13,200	76,910
Add: Prev. surplus	760,156	630,990
Surplus forward*	773,356	707,900
Earnings per share*		
Earned	$0.422	$0.378
Paid	0.40	0.25

*Subject to income tax.

Drummond St. Realty

Drummond Street Realty Corp. Montreal, reports net profits of $34,990 for the fiscal year ended April 30, 1943. This is about twice the indicated interest requirement on the 5% general mortgage income bonds, outstanding to an amount of $341,995. The full 5% rate is, therefore, declared payable, and provision for payment at this rate on October 1 next is indicated in the surplus account.

After provision of this interest payment and $9,227 for taxes, a balance of $13,559 was carried forward in earned surplus. This contrasts with $3,773 shown in the previous year.

Muirheads Cafeterias

Sales of Muirheads Cafeterias for the year ended Feb. 28, 1943, were up to $875,187 from $516,048 for the previous year, representing a continued increase in sales of the downtown cafeterias besides those operated in industrial plants. A net loss was still shown after depreciation of $469, down from $2,570 the previous year.

The annual report states that new capital expenditures during the year amounted to $2,455. Working capital increased nearly $16,000 to $38,420.

Income, Surplus—Years Ended Feb. 28	1943	1942
Sales	$875,187	$516,048
Less: Cost of sales	856,988	500,740
Net earnings	18,199	15,308
Less: Depreciation	18,668	17,878
Net loss	469	2,570
Add: Prev. deficit	110,566	108,147
Less: Adjusts.	......	151
Deficit forward	111,035	110,566
Working capital	38,420	22,553

Consolidated Press

Net profits of the Consolidated Press showed a decline for the year ended March 31, 1943, to $40,157 as compared with $56,744 the previous year. This represents a fall of 33 cents in earnings per share on class A shares, from $1.13 to 80 cents.

Earned surplus is now sufficient to justify the payment of a dividend, it is stated by M. R. Sutton, president, in the report to the shareholders, and a dividend of 40 cents a share has been declared payable Aug. 16, 1943 on classes A and B stock. The president also reports uncertainty in the immediate prospect for operating revenue due to quarterly adjustments of paper rations, but since late 1942 conditions have been improving with respect to sales, due mainly to the improved character of the war news.

Fixed charges will be lower in the future.

Income, Surplus—Years Ended Mar. 31	1943	1942
Operating profit	$161,947	$183,942
Add: Invest. income	9,534	12,748
Profit on assets	418	1,089
Total earnings	171,899	197,779
Less: Exec. remun. & directors' fees	31,159	31,219
Legal fees	362	287
Depreciation	40,229	50,542
Int. on bonds	14,831	17,639
U. S. tax	1,159	1,348
Income & E. P. taxes	35,000	40,000
Net profit	40,157	56,744
Add: Prev. surplus	161,515	104,736
Profit on debs. red.	......	35
Less: Prem. on debs.	555	......
Surplus forward	201,117	161,515
Earned per share:		
Class A	$0.80	$1.13
Paid	nil	nil

Income Taxpayers' Borrowing Shows Decline From Last Year

Canadian income taxpayers were able to meet the payment on their 1942 income tax due June 30, with less borrowing from the loan and finance companies than is usually the case when the deadline comes. Reports reaching The Financial Post indicate a drop of as much as 50% in total loans made for this purpose in June compared with March, 1942, the last month before the deadline last year.

Reason for the decline appears to be that due to deductions made last year and the forgiving of half the total tax due, many taxpayers, especially earners, found themselves fully paid up or nearly so. Of those who had not been paid up previously, many had budgetted so well they were able to take care of most of the payment due June 30 themselves. Additional amounts borrowed were not large.

Some companies, however, reported much of the borrowing that was done was by people in the higher income brackets drawing income from investments, commissions or professional fees. They had failed to make sufficiently large quarterly payments on Oct. 15 and Jan. 15 as required, and still had a substantial balance due in spite of half the tax being forgiven.

In some quarters it is believed that the smaller volume of borrowing was partly due to the fact that only one third of the outstanding balance had to be paid June 30. They expect taxpayers may want more assistance in December when they have to clean up their 1942 tax.

Should Re-use Old Materials Where Possible – Godfrey

"Despite the importance of scrap, the war effort can be far better served by reusing articles as they are or after repair," Used Goods Administrator S. Godfrey of WPTB told the recent convention luncheon of the National Association of Master Plumbers and Heating Contractors of Canada.

"Because of our high standards of living," Godfrey said, "we have developed a prejudice against secondhand material, but such goods have always been employed to good effect in the Orient."

The speaker suggested that plumbing and heating men try to procure from householder and factory the articles that they are replacing and to reuse these in other jobs if possible, or sell or contribute them for salvage.

Referring particularly to oil burners for heating, automatic stokers, radiation, boilers, water heaters and purifiers, steam heating units, hot air furnaces, unit heaters, water tanks and motors, Godfrey told plumbing and heating men that the administration had listed with it under Steel Control Order S-16 many kinds of articles needed by their trade and available in Canada mostly from industrial plants and mines.

"These articles are located all over the country. We advise you where they are and who the owner is and even assist you if you encounter difficulty in a transaction. There are hundreds of mines in the country, reasonably well equipped but not operating; large quantities and wide varieties of metallic equipment are available."

Suggesting that his hearers might have other ideas on increasing availability of scrap and articles for reuse, the speaker recommended that trade-in of replaced articles might be feasible and was distinctly worth discussion.

Ritz-Carlton Scheme Passes Bondholders

Bondholders have unanimously approved a compromise or arrangement in respect to the first and second mortgage bonds of Ritz-Carlton Hotel Co. of Montreal Ltd. Under the plan, the annual fixed charges of the company will be reduced, maturity of the bonds extended, and specified arrangements made with respect to arrears.

Bond Holdings Show Increase

Bank of Canada Circulation and Deposits Also Are Higher

Bond holdings of the Bank of Canada for the week ended July 14 were higher than in the previous week by about $21 millions according to the regular weekly statement. Increases were shown in both long and short term issues. Miscellaneous assets were slightly lower.

On the liability side, note circulation, total deposits and miscellaneous assets were all higher.

Liabilities	July 14, 1943 $	July 7, 1943 $
Capital paid-up	5,000,000	5,000,000
Notes in circula.	767,387,867	765,502,529
Rest fund	6,472,913	6,472,953
Deposits: Dom.	121,646,385	112,455,891
Banks	312,184,169	306,838,420
Other	15,613,830	22,414,534
Total deposits	449,444,384	441,708,845
All other assets.	25,556,986	14,785,629
Total liabs.	1,253,842,190	1,233,469,956
Assets		
In Ster. and U. S.	65,532,624	65,477,250
Subsid. coin	164,028	168,368
Investments:		
Dom. govt. sh.	838,290,745	825,126,770
Other Dom. govt.	330,534,700	322,734,508
Total invest.	1,168,825,445	1,147,861,278
Premises	2,100,819	2,100,603
All other assets.	17,219,274	17,862,457
Total assets	1,253,842,190	1,233,469,956

Weekly Bank Clearings

	July 15 1943 $	Change Year ago %	July 8 1943 $
Halifax	3,998,918	—3.6	6,126,715
Saint John	2,920,362	+30.0	3,569,531
Moncton	1,289,534	+37.2	1,553,216
Sherbrooke	1,164,564	+21.9	1,534,445
Quebec	6,101,715	—1.2	7,756,954
Montreal	141,314,204	—0.5	211,679,437
Ottawa	91,969,898	+93.0	122,392,347
Kingston	806,457	—0.1	1,053,208
Peterborough	941,303	+26.8	1,078,727
Toronto	151,967,321	+32.2	230,184,685
Hamilton	6,752,875	—6.8	8,548,939
St. Catharines	1,520,046	+18.5	1,837,066
Kitchener	1,477,746	+19.2	1,770,051
Brantford	1,147,891	+15.2	1,494,726
London	3,179,273	+13.0	3,963,521
Chatham	680,850	+6.7	1,057,627
Windsor	4,388,497	—5.5	4,740,465
Sarnia	943,788	+96.9	1,014,398
Sudbury	1,080,027	—10.2	1,358,247
Fort William	1,078,250	—12.2	1,220,000
Winnipeg	68,707,288	+63.9	89,585,211
Brandon	571,565	+7.9	704,777
Regina	8,784,579	+51.1	8,426,164
Moose Jaw	926,726	+28.3	1,145,184
Saskatoon	2,200,804	+31.9	2,612,546
Prince Albert	590,272	+19.4	682,981
Edmonton	8,662,917	+50.7	10,035,556
Calgary	8,045,529	+32.1	8,155,039
Lethbridge	828,203	+10.7	1,025,379
Medicine Hat	537,362	+51.9	542,189
N. Westmstr	979,847	+0.9	915,196
Vancouver	25,374,384	+4.4	36,940,572
Victoria	2,020,412	+4.0	2,564,296

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THE WEEK'S QUOTATIONS

Montreal and Toronto

Week ending Monday close

Winnipeg and Vancouver

Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JULY 19

Range 1943 High	Low	Div Rate $	July 17 Y'ld %		Sales	Last July 12	Week end. July 19 H	L	Cl'se
4.25	.39	.	...	Abitibi	39947	4.00	4.25	3.00	3.12
29¼	5	.	...	Do. pref. 6%	28473	26¼	29¼	25¼	25¼
54	12½		...	Do. pref. 7%	223	47	54	50	50
14	11¼	.80+.20	7¼	Agnew Surp.	10	13	13¼	13	13¼
11	8	.	...	Algoma Steel	920	10¼	11	10½	11
87	81	5	5.7	Do. pref.	45	87	87	87	87
102¾	100	5	4.9	Alum. of Can. p	655	101½	101¼	101¼	101¼
133¼	105¼	8+2	8.4	Aluminium, c.	465	118	119	117	119
10	8½	.60	...	Amal. Electric	80	8½	9	9	9
25¾	21¼	1.40	5.5	Asbestos	465	25¼	25¾	25¼	25¾
20	10	1.25	6.9	Assoc. Brew. c.	27	18¼	18	18	18
161	147	6	3.7	Bk. Montreal	202	159	160¼	159	160
259	223	10	4	Bk. N. Scotia	83	251	252	250	250
250	230	10	4	Bk. Toronto	50	246	250	250	250
15¼	12	1	6.9	Bathurst Pr.	3165	13½	14¼	13	14¼
3½	1½	.	...	Do. (B)	525	3¼	3½	3½	3½
19¼	14¼	1	5.1	Beatty Bros. A.	475	18¼	19¼	18½	19
11½	9¼	.	...	Beauharnois	81	10¼	11½	10¼	11½
86	80	4+2	7	Belding Cort. c	10	86	86	86	86
155	140½	8	5.2	Bell Telephone	550	151	154	150	153¼
7¼	4½	.	...	Blue Ribbon	100	7	7¼	7¼	7¼
40	29½	2.50	6.2	Do. pref.	175	39	40	39	40
25¼	23	1.30	5.1	Brant. Cord. pf.	20	25¼	25¼	25¼	25¼
28¼	14¼	.75*	...	Brazilian Tr.	6220	26	26¼	25¾	26
7¾	5	.50+.10	9	Brew & Distil.	20	6¼	6¾	6¾	6¾
22¼	17½	1	4.5	Brit. Amer. Oil	4190	21½	22¼	21½	22¼
26	16	.75	...	B. C. Packers	5210	22	26	22	25
28¼	23	2	7	B. C. Power A.	415	28¼	28¼	28	28¼
5¼	2	.	...	Do. (B)	3390	3½	4½	4	4
10½	5¼	.40	5	Bruck S. Mills	25	10½	8	8	8
15½	13	.60	3.9	Building Prod.	2095	15¼	15½	14½	15½
11¼	9¼	.60	5.4	Burlington St'l	65	11	11¼	11	11¼
7	4	†.25	..	Caldwell Linen	25	6¼	7	7	7
24	23	1.50	6.4	Do. 1st pref.	20	23¼	23¼	23¼	23¼
11½	9¼	.80	7.6	Do. 2nd pref.	5	10¼	10¼	10¼	10¼
103½	99½	6	5.8	Calgary Pwr. p	5	103½	103	103	103
6¾	2½	.10	...	Canada Br'd, c	1100	6	6¾	6	6¾
8¾	4¼	.	...	Canada Cement	4083	8	8¼	8	8¾
106	92	5	4.7	Do. pref.	341	105	106	106	106
20¼	17½	.80	4	C. & D. Sugar.	1510	19¾	20¼	19¾	20¼
27	20	1.50	6	Can. Forg. A.	2080	26¼	27	23	25
360	360	20	5.5	Canada Life	10	..	360	360	360
40	36¼	2+.50	6.3	Can. Malting	205	39¼	40	39	40
11½	5¼	.60	5.2	Can. Nor. Pr.	715	10¼	11½	11	11½
98¼	85	7	7.1	Do. pref.	5	95	98¼	98¼	98¼
93	79¼	4	4.4	Can. Packers	25	90	90	90	90
150	125	8	5.5	Can. Perman.	5	145	145	140	140
14¼	8¼	.	...	Can. Steamsh's.	2999	13¼	14¼	13¼	14
38	21	2.50	6.8	Do. pref.	745	35¼	36¼	35¼	36
8¼	6¼	.40+.10	6	Can. Vinegars	75	8¼	8¼	8	8¼
6	2¼	.	...	Can. Bakeries c	55	5¾	5¼	5	5¼
86¼	66	5	5.8	Do. pref.	100	86	86¼	86¼	86¼
140	129	6	4.3	Can. Bk. Com.	167	135	140	135¼	140
4.87	1.30	.	...	Can. Breweries	26705	3.63	4.87	3.75	4.25
41	27¾	3.40	8.3	Do. pref.	622	39¾	41	39	40¼
35	32	1.50+.50	6	Can. Bronze c.	270	32¼	32¼	32	32¼
9¾	6¼	.50	5.2	Can. Canners	260	9¾	9¾	9¼	9¼
23	19	1+.20▪	5	Do. 1st pfd.	615	22	23	22	23
14	10¼	.60+.20▪	6	Do. 2nd pfd.	960	13¼	14	13¾	13¾
12	7¼	.	...	Can. Car & F'y	8240	9¾	12	9¼	11¼
31	27¾	2.10	7	Do. pref.	1716	29¾	21	29¼	30¾
37	27¼	1+1	5.5	Can. Celanese	755	36	37	35¼	36¼
139	132	7+.94▪	5.8	Do. pref.	160	137	137¼	136	137¼
23	22	1	4.3	Do. Rights	30	22¼	23	23	23
33	17¼	2	6.6	Can. Convert.	75	30	30	29¾	29¾
125	120	6	4.8	Can. Cottons pf.	10	124	125	125	125
19	15	1	...	Can. Dredge	145	18	19	17¼	19
30¼	22	2	6.6	Can. Food Prod.	125	30¼	30¼	30¼	30¼
33¼	25	.70*	...	Can. For. Inv.	35	31	30	30	30
10	8¼	.50+.12½	...	Can. G. Inv.	62	9¼	10	9¾	10
5¾	3¾	.10*	...	Can. Ind. Alc.	3030	5¼	5¾	5	5¼
5¼	3	.10*	...	Do. (B)	500	5	5¼	5	5¼
169	148	2.50*	...	Can. Indust. B	278	164	167	163	167
.50	.20	.	...	Can. Int. I. Tr.	30	.25	.40	.40	.40
26	10	.	...	Can. Locomo.	680	23	24¼	23	23
3½	1	.04	...	Can. Marconi	2025	2¼	2¼	2¼	2¼
23¾	15	1+.20	5.2	Can. Oil, c	25	23¾	23	23	23
12¼	7¾	.	...	Can. Pacific	32651	12¼	12¾	12	12¼
10¼	1½	.	...	C. Pr. & P In p	675	9¼	9¾	9¾	9¾
7¾	3¾	.	...	Can. Vickers, c	885	7	7¾	7	7¼
45	39¼	2	4.5	Can. West'ho'se	36	44	44¼	44¼	44¼
.47	.10	.	...	Chem. Research	8600	.27	.32	.28	.29
.15	.03	.	...	Claude Neon	600	.10	.15	.10	.15
1.40	1.10	.12	...	Coast Brew	700	1.40	1.40	1.40	1.40
13¾	9¼	.25*	...	Cockshutt Plow	1480	12¾	13	12¼	13
3¼	2½	.15	...	Com. Alcohol c	1440	2¾	3	2¾	2¾
10	6	.75	7½	Cons Div Sec p	7	10	10	10	10
6¼	3	.	...	Cons. Paper	21527	6	6¼	6	6¼
6	3	.40	...	Cons. Press	30	6	5¾	5¾	5¾
80	74	4	...	Cons. Sand, pf.	50	78	74	74	74
46	37¼	1+1.50	5¼	Cons. Smelt.	3110	44	46	43¾	46
131	121	8	6.2	Consumers' Gas	300	130	130	128¾	129
29	27	2	6.9	Consum. Glass.	275	28	29	28¼	29
25	22	1.20+.15	5¼	Cosmos Imp.	235	23¼	24	23¾	23¼
50¼	37		...	Cres. Cream, p.	1	49	49	49	49
30	22	2	6.7	Crown Cork	75	29	30	29	30
38¼	33	3	8	Crow's N. Coal	130	37	37¼	37	37¼
4	1½	.	...	Dairy Corp.	87	4	4	3¼	3¼
40	24	†1.25	...	Do. pref.	100	38	38	38	38
36	25¾	2.22	6.3	Distill-Seag. c.	265	35	36	34¾	35¼
167	142½	8	4.8	Dom. Bank	29	166	165	165	165
30½	24¾	1.20	4	Dom. Bridge	2155	28¾	30	28¼	30
16¼	10	.	...	Dom. Coal, pf.	1055	14¼	16	14¼	16
36¼	22	2	...	Dom. Engineer.	85	30	31	30	31
30	20¾	1+.35	5	Dom. Found. c	7177	25	30	24¾	28¾
125	120	5	4	Dom. Glass, c.	70	120	125	123	125
28	24	1.20+.40	6	Dom. Oilcloth	380	27¼	27¼	27¼	27¼
1.00	.40		...	Dom. Scott Inv.	20	1.00	.50	.50	.50
32	22	1.50*	...	Do. pref.	25	32	32	32	32
10¼	8	.	...	Dom. St. & C.B.	14888	9¾	10¾	9¼	10¾
10¼	5¼	.20	...	Dom. Stores	626	10¼	10¾	10	10¼
10	6	.	...	Dom. Tar & Ch	11580	8¼	10	8¼	9¾
101¼	90¾	5.50	5.4	Do. pref.	95	101¼	101¼	100	100
81	74	5	6.4	Dom. Textile	105	77	77¾	77¾	77¾
155	151	7	4.6	Do. pref.	21	151	151	151	151
8	2	.	...	Dom. Woollens.	1380	8	8	7¾	7¾
14¼	8¼	.60	4.3	Do. pref.	50	14	14	14	14
7	3¾	.	...	Donnacona P.	4137	6¾	7	6¼	7
8¾	5¼	.	...	Dryden Paper	1796	8¼	8¾	8¼	8¼
14	10	.	...	East Koot Pr p	5	13	13	13	13
35	14	.	...	East Dairies pf.	40	29	28	27	27¼
15	12	1	7	East Steel	15	15	14¾	14	14
7	2¾	.	...	Easy Washing	25	5¼	7	7	7
7	3	.	...	Enam. & Heat.	125	5¾	6	5¾	6
32¼	20	.87*	...	English Electric	10	24	20	20	20
5¼	3¼	.	...	Do. (B)	1000	4	5¼	5¼	5¼

Range 1943 High	Low	Div Rate $	July 17 Y'ld %		Sales	Last July 12	Week end. July 19 H	L	Cl'se
4¼	2¾	.	...	Fairchild Air	1965	4	4¼	3¾	4¼
25¼	21	1.50	5.9	Fam. Players	25	23¾	25¼	25	25¼
27¼	21	1.50+.25	6¼	Fanny Farmer	1390	27¼	27¼	26¾	26¾
6¾	3¼	.25†	...	Fleet Aircraft	2020	5	6¼	5	6¼
23¾	19¼	1	4.2	Ford Motor A	3689	23¼	23¼	23	23¼
16	14	1.40	9.2	Foundation Co.	650	15	15½	15¼	15½
20	12¼	.	...	Fraser Cos.	91	19	20	19½	20
20¼	12¼	.	...	Do. Vot. Tr.	4934	19¼	20¼	19½	19¼
11¼	7¾	.60	5.7	Gatineau Pwr.	490	10¾	11	10	10¼
100	77	5	5.4	Do. pref.	290	92	100	92	92
100	86	5.50	5.5	Do. 5½% pref.	80	97	100	99	99
13¼	7¼	.25*	...	Gen. St. Wares	4170	12¼	13¼	12¼	12¼
109	94	7+.38▪	7	Do. pref.	71	108	109	108	109
55¼	51¼	2.50	4.6	Goodyear T. pf.	110	55	55¼	54	54
6¼	3¼	.	...	Gt. Lakes Pap.	4120	6¼	6¾	6¼	6¾
23	16	1.50	...	Do. pref.	520	22	23	21¾	22¼
6¼	3¼	.	...	Do. Vot. tr. c	1990	6¼	6¼	6	6
23	14¾	1.50	...	Do. Vot. tr. p.	495	21¼	23	22	22¼
5¾	3¼	.	...	Gt. W. Saddlery	20	5¼	5¼	5¼	5¼
35	26¼	3	9.2	Do. pref.	10	32¼	32¼	32¼	32¼
7¾	4¼	.	...	Gypsum, Lime	3540	7¼	7¼	7	7
8	4¾	.	...	Ham. Bridge	4188	6¾	7¼	6¾	7¼
1.10	.30	.	...	Hillcrest Coll.	100	.65	.50	.50	.50
16	14	1	6.2	Hinde & Dauch	50	15	16	15	16
93	91	.	...	Holt Renfrew p	54	93	92	91	91
16¼	12	.	...	H. Smith Pap.	3932	15¼	16¼	15¼	16
105	98	6	5.7	Do. pref.	10	105	105	105	105
11	8	.50	...	Humberstone S.	10	9¼	11	11	11
16¼	7¾	.50	...	Hunts (A)	60	12¾	13¾	13	13¾
13¾	7	.50	...	Do. (B)	25	12¾	13¾	13¾	13¾
67	55	4	6	Huron & E. Mt.	11	62	67	65	65
5¾	1	.	...	Hydro Electric	249	4¼	4¼	4	4¼
175¼	157	8	4.6	Imperial Bank	62	174	175	174	175
17¼	11¾	.50	2.9	Imperial Oil	30659	16¾	17¼	16¾	17¼
12¼	10	.40+.15	5	Imperial Tob.	3555	11¾	12	11¾	11¾
7¼	6¼	6%	...	Do. pref.	1020	7¼	7	7	7
21	13	♦.25	...	Indust. Accept.	210	20	21	20¼	20¼
101¼	82	5	4.9	Do. pref.	3	90	101¼	101¼	101¼
13	10	.80	6.4	Inter. Bronze	85	13	13	12¼	12¼
23	18¼	1.50	6.7	Do. pref.	10	23	22¼	22¼	22¼
.35	.28¼	.03	...	Int. Coal & C.	850	.33	.35	.33	.34
17	10¼	.	...	Int. Metal Ind.	865	16¾	17	16¾	16¾
97	90	6	6.2	Do. pref. A.	10	95	96	96	96
39¾	32	2	5.3	Int. Nickel	7514	36¼	37¾	36¼	37¼
15¼	11¼	.	...	Int. Pap. & P. c	300	13¾	15¼	15¼	15¼
24	17	1	4.2	Int. Pete.	11051	23	24	23	23¾
15	6	.	...	Int. Power	75	14	11	11	11
109	95	7	6.5	Do. pref.	5	108¼	108	108	108
13¼	3¼	.	...	Int. Util. (A)	135	13	13¼	13¼	13¼
.75	.10	.	...	Do. (B)	1900	.30	.35	.25	.35
13	10	.	...	Kelvinator	100	12	13	12¼	13
18¾	10	.	...	L. St. John Pr.	232	16¾	17¼	17	17¼
26¼	19	1.20	4.7	L. of Woods, c.	285	25¼	25¼	25	25
15	13	.70+.30	6¼	Lang, J. A.	425	15	15	15	15
13	9¾	.80	6.2	Laura Secord	580	12¼	13	12¼	12¼
22	19¾	1+.25	5.7	Loblaw (A)	810	22	22	21¼	22
21¼	17¼	1+.25	5.9	Do. (B)	320	20¾	21¼	20¾	21¼
20	13	1	...	Maclaren Pr.	125	19	20	19	20
9¼	4¼	.	...	Maple Leaf M.	950	8	8¼	8	8¼
17	10¼	.	...	Do. pref.	200	15¾	15¾	14¼	15¼
9¾	5¼	.	...	Massey-Harris	7946	9¼	9¼	9	9¼
20¼	14¼	1.25	...	Do. pref.	7720	19¾	20¼	19¼	20¾
9¼	6	♦.15	...	McColl Fron.	580	9¼	9¾	9¼	9¼
102	92¼	6	5.9	Do. pref.	135	102	102	101	102
7	5	.60	8.9	Melchers, pref.	235	6¼	7	6¼	7
9¾	4	.	...	Mercury Mills.	245	9¾	9¾	9	9
19¾	16¼	1*	...	Mitchell, Robt.	586	18¼	19¼	18¾	19¼
80	65	7	...	Monarch Knit p	65	75	75	75	75
27¼	24	1.60	5.7	Mont. L. & Pr.	3002	25¾	26¾	25¾	26¾
50¼	48¾	3%	...	Do. Notes	2	50¼	50¼	50¼	50¼
31	23	°1.82	..	Montreal Tele.	5	30	31	31	31
33¼	22	.	...	Montreal Trams	265	30	30	29	30
48	44	2.22+.66½	6	Moore Corp. c	900	47¼	47¼	47¼	47¼
1.00	.25	.	...	Muirheads	105	1.00	1.00	1.00	1.00
5¼	5¼	.	...	Do. pref.	10	1	5¼	5¼	5¼
12¼	11	.80	6.9	Murphy Paint c	5	11¼	11¼	11¼	11¼
33¾	26	2	5.9	Nat. Breweries	1235	33	32¾	33	33¾
9¼	6	.40	...	Nat. Grocers	800	8¾	9¼	9	9¼
27¾	25¼	1.50	5.5	Do. pref.	25	27	27¼	27¼	27¼
20	12	.	...	N. Sew. Pipe A	275	20	20	20	20
61¼	38	2+1	4.9	Nat. Steel Car.	1420	61	61	60	60¼
7	3¾	.	...	Noorduyn Av.	200	5¼	5¼	5¼	5¼
1.40	.90	.	...	North Star Oil	420	1.30	1.40	1.40	1.40
4¼	3¼	.35	7.8	Do. pref.	200	4¼	4¼	4¼	4¼
15	10	.	...	Nor. Trusts	100	12	12	12	12
25¼	22¼	1	4.2	Ogilvie Flour, c	685	24¾	24¾	24¼	24¼
2.25	.50	.	...	Orange Crush	150	2.00	2.25	2.00	2.25
4¼	1¼	.	...	Do. pref.	137	4	4¼	4	4
25	20	2+.20	9	Ottawa El. Rly.	40	24	24	24	24
8¼	6¼	.60	7	Ott. L H & P c	240	8	8¼	8	8¼
100	88¼	5	5	Page Hersey	50	99¼	100	100	100
10	4¾	.	...	Pantepec Oil	600	9¼	10	9¾	10
55¼	46	2*	...	Paton Mfg., c.	25	55¼	55	55	55
55	43¼	3	5.6	Penmans, c	30	55	55	54	54
13¼	12	1	7.7	Photo Eng.	25	13	13	13	13
10¾	6	.30	...	Power Corp.	3010	10	10¾	10¼	10¼
97	85	6	6.2	Do. pref.	10	96	96	95¼	96
44	36	3	6.8	Do. 2nd pref.	20	44	44	44	44
9	5	.25	...	Pressed Metals.	260	7	9	7¼	9
19¾	9¼	.	...	Price Bros.	10305	17¾	19¾	17¾	19¼
83	60	5.50	6.6	Do. pref.	730	81	83	81¾	83
7¾	5¾	.40	5.2	Prov. Transport	125	7¼	7¾	7¾	7¾
16	13	1	6.5	Quebec Power.	240	15¼	15¼	15¾	15¼
30	28	2	7.2	Real Estate L'n	8	30	28	28	28
10	6	.	...	Regent Knit. c.	100	10	10	10	10
10¼	7¼	.60	6.3	Rolland Pap. c.	25	9¼	9¼	9¼	9¼
142	132	6	4.3	Royal Bank	296	139	142	139	140
20	15¼	.80	4	Russell Indust.	10	18	20	20	20
200	152	7	3.5	Do. pref.	55	184	200	185	200
108	105	5.50	5.2	Saguenay Pr. p	5	106¼	105¼	105¼	105¼
17	9	.	...	Sarnia Br. (A)	53	17	16¼	16¼	16¼
19¼	16¼	.90	4.7	Shawinigan Pr.	1544	18¼	19	18¼	18¾
16¼	13	.60	3.6	Sher. Wms. c.	20	15¾	16¼	16	16¼
10	9	.40	4.1	Silverwoods	10	9¾	9¾	9¾	9¾
9	8	.40	4.6	Do. pref.	145	8¾	8¾	8¾	8¾
10	7¼	.60+.15	7¼	Simon & Sons c	210	10	10	10	10
20	10	.	...	Simpson, A	25	19¼	19¼	19¼	19¼
12¼	3	.	...	Do. (B)	25	12	12	12	12
102¾	87	6.50+2▲	6¼	Do. pref.	96	102	102	101¼	102
12	10	.80	6.9	So. Can. Pr.	220	11	11¼	11	11
106	102	6	5.8	Do. pref.	76	102	103¼	103¼	103¼
4	1	.	...	St. Law. Corp.	10790	3¼	4	3¼	3¾
18¼	11¼	1	5.4	Do. (A)	42190	15¾	18¼	15¼	18
47	32¼	3	6.4	St. Law. Pap. p	1753	44¼	47	44¼	45¼
19	10	1.25*	...	Stand. Chem.	53	19	19	18	19
3	1	.	...	St Pav & Mat c	1266	2¼	3	2¾	3
5	4¾	.40	8.4	Stand. Radio	100	4¾	4¾	4¾	4¾

Range 1943 High	Low	Div Rate $	July 17 Y'ld %		Sales	Last July 12	Week end. July 19 H	L	Cl'se
73	59¾	3	4.4	Steel of Canada	535	67¼	68¼	67	68¼
76¼	66	3	3.9	Do. pref.	45	75	76	76	76
26	21¼	1	3.8	Sup. Pete. Ord.	36	23	26	22¼	24
13	10¼	.80	6.2	Tamblyn, c	275	12¼	13	12¾	13
9	2¼	.	...	Thrift Stores, c	425	8	9	7	8¼
26¼	22	.	...	Tooke Bros. pf.	30	25	25	25	25
30	23¼	.	...	Tor. Elevators	120	28	28¼	28¼	28¼
55	50¼	2.62½	5	Do. pref.	60	55	55	52¼	52¼
76¼	68	4	5.2	Tor. Gen. Tr.	10	76¼	76¼	76¼	76¼
156	151	7	4.6	Tuckett Tob. p	13	154	152	152	152
10¼	5	.	...	Twin City	47	9	8¼	8	8
8¼	6	.	...	Union Gas	1850	8¼	8¼	8¼	8¼
16	16	.80	5	Un. Amuse. A.	4	13	16	16	16
26	22	1.50	6	United Corp. A	60	26	25¼	25	25
16	8¼	.30	...	Do. (B)	355	15¼	15¼	15	15
37	32¼	3	9	United Fuel, pf.	185	33	33¼	32¼	33¼
5	3¼	.	...	Do. B pref.	65	5	5	5	5
16	12¼	1	6.6	United Grain A	15	15¼	15¼	15	15¼
6	4¼	.	...	United Steel	2620	5¼	5¾	5¼	5¾
58	47	4	7.5	Wabasso Cot.	175	53	54¾	53	54
56¼	47	4	7.2	Walker-Good.	345	56	56	55	55
21¼	18¾	1	4.7	Do. pref.	530	21¼	21¼	20¾	21
91	40	.	...	West C. Flour p	55	83¼	84	83	84
14	7¼	♦.50	...	Western Steel	613	14	14	14	14
17	12	.80	4.8	Weston, George	675	16¼	17	16¾	16¾
101	94	5	...	Do. pref.	15	101	101	101	101
75	75	♦5	...	Willson Stat. p	10	..	75	75	75
19¼	17¼	1	5.6	Wilsils	10	18	18	18	18
8¼	2¼	.	...	Winnipeg El. A	14073	7¼	8¼	7¼	7¼
63¼	20	.	...	Do. pref.	1082	62	63¼	61	61
85	65	.	...	Woods Mfg. pf.	5	85	85	85	85
15¼	13	.80+.20	6¼	Zellers, c	12	15¼	15¼	15¼	15¼
26¼	24	1.50	5.8	Do. pref.	50	26¼	26	26	26

▪ Participating. ♦ Paid in 1942.
* Interim dividends paid in 1943.
• On arrears. † Initial.
° Net after corporate income tax.

Mining Stocks

Week Ending July 19

Range 1943 High	Low	Div. Rate $	July 17 Yield %	Company	Sales	Last July 12	Week Ending July 19 High	Low	Close
.20	.05	.....	....	Aldermac	17,800	.17	.18	.16	.16
4.50	3.00	.20	....	Anglo-Hur.	6,362	3.75	4.50	4.00	4.50
.59	.20	.....	....	Aquarius	5,100	.55	.59	.52	.59
.31	.22	.....	....	Arjon Gold	80,600	.26	.29	.24½	.29
.53	.38	.....	....	Armistice	20,700	.43½	.42	.38	.38
.05½	.02	.....	....	Ashley	1,000	.05½	.04	.04	.04
.12½	.02½	.....	....	Astoria Q.	130,200	.09	.12	.08½	.11½
2.88	1.35	.16	5.7	Aunor Gold	16,050	2.79	2.88	2.68	2.75
.19½	.08½	.....	....	Bagamac	76,375	.15	.19½	.16	.19
.08	.04	.....	....	Bankfield	6,766	.07½	.07½	.07	.07½
.12	.07	.....	....	Base Metals	19,800	.09½	.11	.09½	.11
.08½	.04½	.....	....	Bayonne	4,000	.04½	.05	.04½	.04½
.49½	.10	.....	....	Bear Expl.	92,300	.40½	.47	.39	.45
1.35	.69	†.04	....	Beattie Gold	30,155	1.08	1.20	1.05	1.15
.43	.09½	.....	....	Bidgood	182,450	.37	.43	.35½	.43
.12	.08	.....	....	Bobjo	80,953	.09½	.11	.09½	.10½
.19½	.09½	.....	....	Bonetal	10,518	.15	.17	.14	.14
11.50	7.40	1.20	*10.7	Bralorne	4,584	9.95	11.50	9.95	11.25
.01½	.00½	.....	....	Brett Treth.	2,500	.01	.01½	.01	.01½
.62	.46	†.06	....	Broulan	35,840	.53	.58	.53	.58
4.00	1.60	†.10	....	Buffalo Ank.	2,490	3.85	3.60	3.40	3.40
.09	.03½	.....	....	Buff. Can.	7,000	.06½	.07	.06	.06
17.00	11.75	.....	....	Buloio Gold	355	17.00	17.00	17.00	17.00
.03	.01½	.....	....	Bunker Hill	1,000	.02¾	.02¾	.02¾	.02¾
.56	.35	†.02	....	Can. Mal.	8,700	.46½	.52	.50	.50
1.35	.82	†.06	....	Cariboo	2,850	1.05	1.18	1.10	1.16
1.10	.54	.....	....	Castle Tre.	1,250	.80	1.10	.82	1.05
.06	.02	.....	....	Cen. Cad.	8,000	.04	.04	.03½	.03½
1.50	1.00	.12	8.9	Cen. Pat.	35,500	1.22	1.50	1.24	1.41
.11	.07½	.....	....	Cen. Por.	5,000	.06½	.09	.08	.09
1.67	.65	†.08	....	Chesterville	62,750	1.47	1.67	1.38	1.65
2.65	1.75	.....	....	Chromium	900	2.00	2.60	2.45	2.45
1.80	1.20	.....	....	Coast Cop.	550	1.35	1.55	1.30	1.30
1.28	.75	†.06	....	Cochenour	23,450	1.17	1.28	1.23	1.27
1.20	.80	†.06	....	Coniaurum	3,505	1.08	1.17	1.12	1.15
.04½	.03	.....	....	Denison	3,500	.03½	.03	.03	.03
25.75	18.75	1.60	6.3	Dome Mines	5,611	23.50	25.75	24.25	25.50
.10	.04	.....	....	Duquesne	8,500	.06½	.07	.06½	.06½
1.45	1.09	.....	....	East Mal.	42,350	1.35	1.43	1.35	1.38
1.25	.80	.....	....	Eldorado	88,200	.97	1.20	.98	1.18
4.80	3.10	†.07½	....	Falconbridge	2,550	4.50	4.75	4.45	4.50
.05½	.02½	.....	....	Federal	8,500	.04½	.05	.04	.04½
.03½	.01	.....	....	Flin Flon	9,500	.02	.01½	.01	.01
.40	.10	.....	....	Forty-Four	603	.35	.38	.35	.35
.34	.18	.....	....	Francoeur	17,800	.27	.34	.27	.30½
.06½	.03	.....	....	Gillies Lake	15,500	.04½	.06½	.04½	.06
.04½	.01	.....	....	Glenora	4,000	.03½	.03½	.03	.03½
.29½	.12½	.....	....	God's Lake	50,695	.18½	.23	.19	.21½
.14	.10	.....	....	Goldale	8,900	.12½	.14	.12½	.13½
.20	.12	.....	....	Gold Belt	17,500	.17	.17	.16	.17
.03½	.02	.....	....	Gold Eagle	6,000	.02½	.03	.02½	.02½
.06½	.03	.....	....	Golden Gate	7,000	.04½	.05½	.05	.05½
.01½	.01	.....	....	Goodfish	1,000	.01½	.01½	.01½	.01½
.03	.02	.....	....	Graham	500	.02½	.03	.03	.03
.07	.02½	.....	....	Grull W.	22,000	.03	.03½	.02½	.03
.17	.11½	.....	....	Gunnar G.	8,400	.15	.15½	.15	.15
.07½	.04	.....	....	Halliwell G.	88,750	.05½	.06	.05	.05½
3.55	2.50	.40	13.3	Hallor	1,025	2.75	3.25	3.00	3.15
.59	.40	†.03	....	Hard Rock	21,600	.52	.59	.52	.59
.25	.17	.....	....	Hasaga	1,000	.25	.25	.25	.25
.48	.37	.08	....	Hedley Mas.	5,000	.44	.43	.42	.42
11.12	8.50	.65	6.3	Hollinger	2,710	10.25	10.50	10.00	10.50
.25	.17	.....	....	Howey Gold	21,800	.22	.25	.22	.25
32.50	26.50	2	6.4	Hudson Bay	2,285	31.00	31.00	30.50	31.00
.35	.26	.....	....	Inspiration	2,800	.32	.25	.32	.35
.90	.55	†.05	....	Island	2,500	.75	.75	.75	.75
.01½	.01	.....	....	Jacola	500	.01	.01	.01	.01
.10	.06	.....	....	Jack Waite	3,000	.07½	.07½	.07	.07½
.23	.12	.....	....	Jason Mine	26,540	.20	.22	.15	.15
.02½	.01½	.....	....	Joliet Que.	3,000	.02½	.02½	.02½	.02½
7.25	4.75	†.17	....	K. Addison	22,946	6.80	7.25	6.80	7.25
.17	.10	.05	....	Kerr Lake	200	.10	.15	.11	.11
.06	.02½	.....	....	Kirk. Gold	700	.05	.06	.06	.06
.40	.19	.....	....	Kirk. H. Bay	500	.30	.32	.32	.32
.71	.55	†.02	....	Kirkland L.	19,705	.62	.71	.64	.68
.12	.09	.....	....	K. Townsite	1,000	.10	.10	.10	.10
.30	.19	.....	....	Kootenay B.	6,300	.24½	.30	.27	.30
1.20	.40	†.02	....	L. Dufault	16,500	1.15	1.15	.90	1.05
16.25	10.25	.80	5	Lake Shore	8,750	14.25	16.25	14.75	16.00
5.30	3.50	.30+.05	..	Lamaque G.	1,398	5.00	5.30	5.00	5.25
.09½	.03½	.....	....	Lapa Cad.	1,500	.05	.05½	.05	.05½
.03½	.01	.....	....	Lebel Oro	11,500	.03	.03½	.02½	.02½
.98	.60½	.09	*9.4	Leitch Gold	26,350	.87	.98	.91	.95
1.00	.67	*.17½	....	Little L.L.	42,820	.70	.77	.70	.71
3.50	2.26	†.12	....	Macassa	5,475	3.35	3.50	3.35	3.45
1.86	1.52	*.10	....	MacLeod C.	28,600	1.76	1.86	1.78	1.85
1.26	.70	†.03	....	Mad. R.L.	54,032	1.20	1.26	1.20	1.26
2.10	1.65	.....	....	Malartic G.	90,550	1.96	2.10	1.96	2.08
.02½	.00½	.....	....	Man. & East.	1,000	.01½	.02	.02	.02
.05½	.02½	.....	....	Maralgo	1,000	.04½	.04½	.04½	.04½
56.00	46.75	3.33	*6.3	McIntyre	825	50.50	54.00	52.00	54.00
1.13	.83	.12	10.7	McK. R.L.	24,200	1.05	1.13	1.05	1.13
.03½	.01½	.....	....	McLellan G.	2,000	.02½	.02½	.02½	.02½
.07	.05	.....	....	McV. Grah.	1,000	.05	.07	.06½	.07
.18	.10	.....	....	McWatters	1,800	.12	.15½	.14	.14
2.17	1.22	.....	....	Min. Corp.	107,603	1.72	2.17	1.73	2.07
.02½	.01½	.....	....	Minto Gold	5,000	.01½	.02½	.02½	.02½
.40	.28	.08	....	Moneta	21,810	.32	.37	.32	.36½
.50	.35	†.20½	....	Negus Mines	2,000	.40	.40	.40	.40
1.70	1.00	*.10	....	Nipissing	1,300	1.41	1.45	1.40	1.45
48.25	40.00	4	8.6	Noranda	8,816	45.00	46.50	45.00	46.50
1.10	.72	.....	....	Normetals	131,920	.99	1.10	.96	1.10
2.00	1.00	*.30	....	North. Emp.	200	2.00	1.40	1.40	1.40
1.10	.60	.03	....	O'Brien	63,640	1.00	1.10	.95	1.00
.40	.08	.....	....	Omega	63,500	.26	.40	.26	.35
.11½	.04½	.....	....	Ont. Nick.	105,450	.07	.07½	.04½	.06
.19	.07½	.....	....	Osisko	4,500	.13	.15½	.13½	.14
.95	.57	.....	....	Pamour P.	7,650	.94	.93	.91	.91
.05	.02	.....	....	Pandora	1,500	.03½	.05	.05	.05
.04½	.02	.....	....	Partanen	27,000	.04	.04	.03½	.03½
3.05	2.15	†.15	....	Pato Cons. G.	100	2.70	2.75	2.75	2.75
.27	.15	†.01	....	Paymaster	51,425	.24	.25½	.23½	.24½
1.90	1.05	†.06	....	Pend Oreille	4,040	1.70	1.80	1.72	1.80
1.05	.73	†.06	....	Perron Gold	11,700	.78	.92	.80	.92
1.90	1.28	†.05	....	Pickle Crow	11,675	1.75	1.85	1.75	1.83
2.15	1.25	.....	....	Pioneer G.	2,460	2.00	2.02	1.80	2.02
9.00	6.63	†.25	....	Placer Dev.	235	9.00	8.00	8.00	8.00
.75	.52	†.02	....	Powell R.	5,100	.73	.75	.74	.75
.03½	.01½	.....	....	Prem. Bord.	22,500	.02½	.02½	.02	.02½
.95	.58	.06	....	Premier G.	6,500	.91	.95	.92	.95
2.25	1.72	.20	9	Preston E.	36,455	2.20	2.25	2.18	2.20
.42	.31	.08	....	Privateer	11,850	.37½	.39	.38	.38
.25	.20	†.02	....	Quebec Gold	500	.21	.22	.22	.22
.58	.30	.....	....	Queenston G.	4,935	.54	.55	.50	.55
.50	.29	.....	....	Reeves MeC.	1,000	.30	.29	.29	.29
.09½	.02	.07	....	Reno Gold	7,000	.03½	.03½	.03	.03½
.07½	.03½	.....	....	Roche L.L.	7,500	.06	.07	.05½	.05½
3.25	1.86	.20	*6.4	San Antonio	16,126	3.00	3.15	3.00	3.05
.09½	.02	.....	....	Sand River	25,500	.06	.06½	.05	.06
.48	.18	.03	....	Senator R.	276,350	.26	.48	.25	.47½
.04	.02	.....	....	Shawkey	500	.03½	.03	.03	.03
1.05	.84	.16	16	Sheep Creek	7,200	.96	1.05	.96	1.05
1.03	.66½	†.03	....	Sherritt G.	72,170	.96	1.03	.94	1.03
7.60	5.10	.60	7.9	Sigma Mines	110	6.90	7.60	7.25	7.60
.60	.35	.06	....	Siscoe	45,584	.48	.60	.46	.55
.45	.29	.....	....	Sladen Mal.	54,000	.38	.43	.40	.41
.03½	.01½	.....	....	Slave Lake	6,000	.02	.02½	.02	.02½
.06	.02	.....	....	St. Anthony	25,500	.04	.05½	.03	.05
2.57	1.51	.....	....	Steep Rock	111,611	2.36	2.57	2.29	2.55
.14	.10	.....	....	Sturgeon R.	1,100	.13	.14	.13½	.14
2.20	1.46	.....	....	Sud. Basin	750	2.05	2.20	2.10	2.20
.85	.60	†.05½	....	Sullivan C.	12,500	.75	.85	.75	.84
1.95	1.38	†.09	....	Sylvanite	6,172	1.80	1.91	1.75	1.90
3.20	1.85	.30′	10	T. Hughes	5,805	2.93	3.05	2.91	3.00
.10	.05	.....	....	Temiskaming	1,600	.09½	.09	.07	.07
.75	.58	†.03	....	Toburn Gold	15,900	.67	.75	.69	.72
.18	.09	.....	....	Towagmac	5,400	.14	.16	.14	.15
.74	.35	.....	....	Trans. Res.	49,900	.68	.72	.67	.71
45.00	26.00	.....	....	Uchi Bonds	$5,100	35.00	38.00	33.00	33.00
1.54	.95	.10	....	Upper Can.	34,800	1.46	1.54	1.46	1.52
6.65	4.35	†.10	....	Ventures	9,752	6.10	6.65	6.10	6.65
4.95	3.40	†1.50	....	Waite Am.	2,800	4.65	4.75	4.65	4.75
.02½	.01	.....	....	Wellington	11,000	.01½	.01½	.01½	.01½
.24	.19	.....	....	Wendigo	9,875	.21	.22	.21	.21
.04	.02	.....	....	Whitewater	7,700	.04	.03½	.03½	.03½
.04	.01½	.....	....	Wiltsey C.	4,500	.03½	.04	.03½	.03½
4.20	2.50	†.35	....	Wright-Har.	6,600	3.35	3.50	3.35	3.50
.10½	.08	.....	....	Ymir Girl	500	.08½	.09½	.09½	.09½

Oil Stocks

Range 1943 High	Low	Div. Rate $	July 17 Yield %	Company	Sales	Last July 12	Week Ending July 19 High	Low	Close
.14	.06	.....	....	Acme G.&O.	7,700	.09½	.12	.09½	.12
.18	.09	.....	....	Alta. P. Cons.	2,426	.15	.15	.13	.14½
1.60	.13	.....	....	Ajax	35,280	1.59	1.60	1.48	1.56
.82	.45	†.04	....	Anglo Can.	18,260	.76	.80	.73	.80
.53	.19½	.....	....	Br. Dom.	129,992	.50	.53	.48	.53
.13	.04½	.....	....	Brown Oil	7,600	.09½	.11	.09½	.10
1.75	1.15	†.05	....	Calg. & Ed.	7,275	1.67	1.70	1.60	1.70
.35	.21	.....	....	Calmont	16,400	.30	.31	.29	.30
.20	.16½	†.01½	....	Commoil	1,000	.17	.18	.18	.18
.27	.20	.....	....	Common P.	1,400	.24	.23	.23	.23
.49	.29	.....	....	Dalhousie	7,420	.40	.46	.38	.45
.23½	.10	.....	....	Davies Pete	5,648	.20	.21	.19½	.21
.20	.04½	.....	....	East Crest	86,200	.17½	.18½	.16	.18½
1.75	.78	.....	....	Foothills	7,960	1.70	1.70	1.55	1.65
4.10	2.65	†.15	....	Home	39,815	3.95	4.10	3.75	4.00
.05½	.03	.....	....	Homestead	3,000	.04½	.04½	.04½	.04½
.03	.00½	.....	....	Marjon	12,000	.01	.01½	.01	.01
.01	.01	.....	....	Marvel	5,000	....	.01	.01	.01
.08½	.05	.....	....	Mercury	3,000	.06½	.07	.07	.07
.09	.06	†.03	....	Mill City	1,000	.07	.06½	.06½	.06½
.28	.21	.02	....	Model	300	.27	.25	.25	.25
.08	.05	.....	....	Nat. Pet.	8,000	.07½	.08	.07½	.07½
.08½	.03½	.....	....	Nordon	1,000	.05½	.05½	.05½	.05½
.73	.38	.....	....	Okalta	4,800	.65	.67	.65	.67
.09	.04½	.....	....	Pacalta	21,500	.05½	.06	.05½	.05½
.48	.20	.....	....	Pac. Pete	1,700	.42	.44	.42	.42
.04½	.03½	.....	....	Royal Can.	1,000	.03½	.03½	.03½	.03½
26.50	21.00	1	4	Royalite	809	25.50	26.50	25.00	26.00
.08	.03½	.....	....	South End	22,700	.07½	.08	.07	.07
.40	.20	.....	....	So. West P.	1,300	.35	.35	.30	.32
1.94	.95	.....	....	Texas Can.	160	1.92	1.92	1.92	1.92
.10	.04½	.....	....	United Oils	2,700	.08	.08	.07	.07
.09½	.06	.....	....	Vanalta	2,000	.07½	.07½	.07½	.07½
.27	.09½	.....	....	Vermilata	39,500	.20	.22	.20	.21

* Yield including bonus. ′ Paid in 1942. † Interim paid in 1943.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
July 20	26,800	43,200	784,000	......
July 19	19,500	23,600	648,000	48,540
July 17	18,200	7,500	282,000	20,850
July 16	38,400	26,500	691,000	20,162
July 15	60,300	29,800	756,000	42,000
July 14	59,900	24,500	931,000	24,909

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

July 20, 1943

%	Due	Bid	Ask.
5	Oct. 1943	100¼	101¼
2	June 1944	100½	101½
1½	Sept. 1944	100	100½
a2½	Jan. 1944	99¾	100¼
4½	Oct. 1944	103¼	104¼
2½	Nov. 1944	101¼	102
a2½	Aug. 1945	99¾	100½
4	Oct. 1945	100½	101½
2	Mar. 1945	100½	101½
2	Dec. 1946	100	100¼
4½	Feb. 1946	106¼	107¼
2½	Mar. 1948	100	100½
1½	May 1946	99½	100½
a2½	Jan. 1943	102¼	103¼
3½	June 1949	102½	103½
3½	Oct. 1949	102¼	102¾
▪3	June 1951	102¼	103
3½	Nov. 1951	103	104
3½	Feb. 1952	103½	104¼
3	Oct. 1952	100½	101½
4	Oct. 1952	106¼	107¼
a3	Jan. 1953	104½	106
3	June 1955	99¾	100½
▪3	Nov. 1956	99¾	100½
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107½	108½
▪3	Mar. 1954	100½	101½
a3	Jan. 1958	104	105¼
3	June 1958	99¾	100½
4½	Nov. 1958	108¼	109¼
4½	Nov. 1959	109¼	110¼
a4	Oct. 1960	109¼	110½
a3½	Jan. 1961	105¼	106¼
3½	June 1966	102¼	103¼
a3e	Jan. 1967	102¼	103¼
a3e	Nov. 1968	102¼	103¼
†3	Perpetual	94¼	95¼
Dominion Guarant'd Bonds			
Can. Natl. Railways:			
2½	Jan. 1946	100½	101½
3	May 1944	100½	101½
3	Dec. 1950	101	102
3	Jan. 1959	99¼	100½
*4½	Sept. 1951	123¾	125¼
*4½	Feb. 1956	127¼	129
4½	July 1957	128¼	130
3	Feb. 1953	100¼	101¼
4½	June 1955	129¼	131
5	Feb. 1954	117¼	118¼
*5e	July 1969	118¾	120¼
*5e	Oct. 1969	128¼	130
*5e	Feb. 1970	128¼	130
Can. Nat. W. Ind. S. S.:			
5	Mar. 1955	130¼	132¼
Grand Trunk Pacific Rly.:			
3	Jan. 1962	108	110
Provincial Gov't Bonds			
New Brunswick:			
4	Nov. 1947	112¼	114¼
3	Oct. 1951	97¼	98¼
3½	Aug. 1949	99¾	101¾
3½	June 1956	100½	102¼
4½	Apr. 1961	116¼	118¾
c5	Jan. 1960	120¾	123¼
Nova Scotia:			
3	Jan. 1952	99¼	101¼
2½	June 1956	100¼	102¼
3½	Nov. 1950	102¼	104¼
c4½	Sept. 1952	116	118
c4½	Nov. 1960	122	125
c5	Mar. 1960	127¼	130¼
Ontario:			
2½	May 1945	100	101¼
2	Apr. 1948	100¼	102¼
3	Nov. 1950	99¾	101¼
3½	Nov. 1951	100¾	102¾
3½	May 1955	100¾	102¾
4	June 1962	121	124
4½	June 1950	108¼	110¼
*4½	Jan. 1962	127¼	130¼
5	Oct. 1948	109¾	111¼
*5	Dec. 1960	132	135
*5½	July 1946	107¼	109
Ont. Hydro Commission:			
3	Aug. 1948	100¼	102¼
3½	Feb. 1953	100¾	102¾
3½	Apr. 1947	103¼	105¼
Prince Edward Island:			
4	Mar. 1954	101¼	103¼
Quebec:			
3	Nov. 1947	100¼	102¼
3½	Mar. 1948	100½	102
3½	Mar. 1959	100¼	102
4	Nov. 1952	103¼	105
3½	Feb. 1955	102¼	104
4½	Aug. 1958	107	109
4½	Jan. 1963	111¼	113
Alberta:			
4½	Oct. 1956	87	89
4	Dec. 1954	84¼	87
*5	Oct. 1950	87¼	90
c5½	Apr. 1952	88	91
6	Mar. 1947	87¼	90
British Columbia:			
4	Dec. 1957	116	118
*4½	Jan. 1951	117¼	119
c4½	Oct. 1953	119	121
c5	Apr. 1954	123	126
5½	Feb. 1945	103	105
6	Feb. 1947	109	111
Manitoba:			
c4	Dec. 1957	110¼	113
c4½	Dec. 1956	115¼	118
*5	Dec. 1959	120	123
5½	Oct. 1953	114¼	117
6	Apr. 1947	107	110
Saskatchewan:			
4	Sept. 1954	94¼	97
4	Nov. 1960	93¼	96
c4½	Oct. 1951	103¼	106
c4½	Mar. 1960	100¼	103
5	Aug. 1958	101	104
5½	Oct. 1952	102¼	105
6	Mar. 1952	104	107

*-Payable Can., N.Y., &. c-Paybale Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦-Calculated to 1959 average maturity. ▪-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Mines

Toronto, July 20, 1943

	Bid	Ask
Adnaron	.24	.27
Albany R (new)	.07	.09
Algo Cop	.26	.30
Ama Kirk	.12	.14
Ama Lard	.35	.38
Amicmica	.29	.33
Annamag	.11	.13
Area	.12	.14
Arntfield	.01	.02
Athona	.03	.04
Banca	.44	.47
Barb Lard	.05½	.06
Brengold	..	.01½
Brock	.09	.10
Cald Bous	.05	.06½
Cent Man	.02½	.03
Cheminis	.07	.08
Classic S	.14	.17
Clifton Cn	.30	.40
Cock R L	.05½	.06
Columbier	.20	.23
Cons Chi'g	.06	.08
Cont Tin	.26	.29
Crowshore	.04	.07
De Santis (new)	.05½	.07½
Dona Pat	.03	.04
Eastward	.14	.16
Electra	.07½	.08½
Enter Fin	1.25	1.35
Goodrock	.08	.10
G-Lk Irn	.21	.23
Gunflint	.23	.29
Harper M	.18½	.21
Hayes Cad	.02½	.03
Highbridge	.10	.13
Hoyle new	.08	.09
Hugh Pam Porcup'e	.06	.08
Ivan Lard	.21	.24
Laguerre	.10	.12
Lake Gen'a	.07	.09
Larder U	.11	.13
Lar-Add	.11	.12
Largold	.33	.37
Magnet C	.34	.37
Majormic	.59	.64
Marbenor	.27	.30
Martin B'd	.06½	.07½
Mata'n C	.11	.13
Metalore	.29	.31
Midw't Ir	.27	.31
Moffatt H (new)	.06½	.07
Mosher	.10	.12
Moosew'd	.12	.15
McManus	.02	.03
McMarm'c	.13	.15
Nat Malar	.24	.25
Naybob	.02	.02½
Nickel Of	1.00	1.10
Norbeau	.30	..
Norseman	.20	.23
North Tin	.09	.11
Oklend	.03½	.04
O'Leary M	.04	.05
Opemiska	.06	.08
Orpit	.03½	.04½
Pacific R	.72	.77
Pascalis	.32	.36
Pelangio	.08½	.10
Pontiac R (old)	.11	.12
Pt Cold'l	.36	.41
Presdor	.03½	.04
Propriet'y	6.10	6.30
Que Mani	.20	.23
Rand Mal	.20	.22
Roylartic	.21	.23
Rebair	.39	.41
Rhyolite	.02½	.03½
Ritoria	.04	.05
Roug d'Or	.12	.14
S.A.G.A.	.30	.35
Sheldon	.16	.18
Springer	.24	.28
Stadacona	.12	.15
Thom'n L	.11	.14
Tom'k I'n	.66	.72
Tombill	.08	.11
Tovarich	.05½	.06
Tungold	.23	.27
Union Min	.06	.07
Vic Ore	.38	.42
Wesley	.02½	.03½
West Sh	.04½	.06
Young Dav	.28½	.31

Unlisted Stocks

July 20, 1943

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrial:	Bid	Ask.
Andian National.	22	24
Anglo C. Tel. A.	8½	9¾
Atlas Steels, c.	24	..
Do., pref.	105	108
B. C. Pulp, c.	12	13½
Do., pfd.	74	79
Barrymore Cl., p.	47	..
B. C. Sugar	75	80
B. C. Tel., p.	114	..
Brown, com.	2	2½
Do., 6% pfd.	37	40
Burns & Co., A.	11½	13½
Do., B	6½	8
Canada Tea, p.	30	..
Can. Indust., A	164	168
Can. Mach., c.	7½	9½
Can. Ing. Rand.	62	..
Can. Mot. L.A.B.	9½	..
Cap. W. Cloth	5½	..
Do., pref.	17½	21
Col. Realty	3½	..
Chase, A. W., p.	16	20
Colonial Steam.	68½	74
Copeland F. un.	15	18
Corr. Box, c.	3½	..
Dover Ind.	7½	..
Dunlop T. p. $25	24	26½
Fed. Grain	3½	4
Do., pref.	83	86
Galt Brass, c.	10	..
Goderich Elev.	10½	..
Guard. Realty, p.	17	20
Guelph, Carpet, c.	16½	..
Gurney Fdy., p.	2	..
Hart Battery	5½	..
Hayes Steel, c.	15	..
High. Dairy, pf.	..	48½
Inglis, John	8½	10
Ingram & Bell, p.	90	..
Kingst. Ship., c.	12½	..
Loblaw Inc., c.	12	13¾
Minn. & Ont. p.c.	8	9
Mt. Royal Htl. c.	3	..
M'row Screw, p.	100	..
Do., com.	16	..
Moirs, pfd.	40	..
Morrison Br. un.	12	..
Neilson, Wm., c.	12	..
Do., p.	101	..
N. Meth. Ldy. p.	70	..
Ont. Tobacco, p.	15	..
Prov. Paper, p.	99½	102
River. Silk, B.	2½	..
Stand. Fuel, p.	54	..
Stedman, pf. $50	54	57½
Sutton Horsley	.60	..
Tor. Carpet ,c.	70	..
Do., pref.	70	..
Un. Steel, A, pf.	23	24½
Viceroy Mfg., c.	12½	..
Do., pref.	21	23
West. Grain, un.	38	41
Trust & Loan Stocks:		
British Mtge.	118	..
Brockville Tr.	45	..
Capital Trust	30	..
Comm. Fin., c.	7½	..
Grey B. Tr. $50	45	..
Guaranty Trust	100	..
Guelph & O. $50	49	..
Indust. Mtge.	25	30
Lambton Loan	34½	..
Lond. & W. Trust	35	37½
Midland Loan	14½	..
Premier Trust	32	..
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Trusts & Guar.	36½	..
Victoria Trust	67	..
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	53	..
Canadian Fire	73	..
Canada Life	335	..
Confed. 30% pd.	131	..
Continental L.	27½	32
Crown Life	250	..
Dominion Fire	135	..
D. of Can. Gen.	127	..
Dom. Life	176	..
Empire, 25% pd.	6	7½
Excelsior 40% pd.	75	..
Great-West Life	238	..
Halifax Fire	13	15
Imperial Life	250	270
Manufac. Life	220	245
Monarch Life	34	37
National Life	8	10
Sov. L. 25% pd.	14½	..
Sun Life	325	350
Tor. General	4½	5½
Western Assce.	41½	..
Do., pref.	41	..
Western Life	12½	15
Investment Trust Shares:		
Inv. Found. un.	44½	..
Sec's Hold., pf.	18	20½
Th. Can. Inv. Tr.	2	2½
Theatre Stocks:		
Allen's St. Cath. units	65	..
Do., Kingston	66	..
Do., Toronto, p.	36	..
Mansf. Theat., p.	62½	..
Para. Kitch., p.	50	..
Do., Oshawa, c.	10	..
Do., Oshawa, p.	84	..
Power Issues:		
Can. W. N. Gas	28	..
Do., pfd.	102	..
Gt. Lakes Pr., p.	102	..
Mtl. Isl. Pwr., p.	45	..

Oil Royalties

Producing Wells — Prices and Payments

	May daily quota bbls.§	Mar. 15 daily quota bbls.§	Mar. pay. 1% $	April pay. 1% $	May pay. 1% $	Total to May 31 1% $	Offering price* per 1% $
Ace No. 1 gross	385	386	169.40	166.30	152.18	5,017.92	....
Alta. Oil Inc. No. 1 gr.	65	65	37.20	28.40	26.80	3,765.20	1,000
Do., No. 1 net	65	65	29.20	74.80	22.00	4,266.40	....
Do., No. 2 gr.	325	389	140.00	138.80	126.40	5,115.20	4,600
Do., No. 2 net	325	380	97.20	121.20	104.00	6,599.40	3,800
Allied No. 1 pfd.	93	93	41.36	35.05	36.80	1,710.91	1,300
Arrow No. 1 net	120	135	39.00	36.00	45.00	1,003.15	1,500
Do., No. 2 net	150	170	52.00	49.00	57.00	1,827.20	1,700
Atlas No. 1 net pfd.	102	....	....	....	‡36.40	......	1,400
Atlas-Br. D. No. 2 pfd.	420	450	158.00	218.80	‡218.80	......	4,900
Atlas-Br. D. No. 3 pfd.	400	430	....	....	....	......	5,000
East Crest No. 5	115	115	52.30	57.20	66.00	663.60	1,700
Independent No. 1 pfd.	200	200	94.57	107.60	106.09	......	3,000
Do., No. 1 gr.	200	200	81.88	95.40	93.74	2,647.36	3,600
Major Oil No. 1 pfd.	95	95	45.20	140.40	30.00	1,014.80	1,400
Do., No. 1 gr.	95	95	51.20	48.40	38.80	1,845.00	1,400
Do., No. 2 net	320	350	108.00	138.00	154.80	5,339.60	4,100
Do., No. 2 gr.	320	350	150.80	156.00	171.60	6,927.60	5,300
Do., No. 3 net	550	588	214.40	252.00	242.40	7,430.40	7,200
Do., No. 3 gr.	550	588	291.20	264.00	253.60	......	9,700
Do., No. 4 net	100	125	....	54.00	39.60	......	1,600
Do., No. 4 gr.	100	125	....	56.00	37.20	......	....
Do., No. 7 pfd.	450	500	227.60	298.40	287.20	2,098.00	7,100
Do., No. 7 gr.	450	...	....	....	208.80	......	....
Do., No. 7 dfd.	450	500	....	....	....	......	3,700
Do., No. 8 pfd.	165	225	116.00	99.60	108.80	850.40	2,800
Do., No. 8 gr.	165	225	104.80	80.40	84.80	1,271.20	....
Do., No. 8 dfd.	165	225	....	....	....	....	1,400
Do., No. 9 gr.	320	320	129.60	160.40	174.80	1,912.60	5,700
Do., No. 9 pfd.	320	320	143.60	184.80	196.40	760.80	5,100
Do., No. 9 dfd.	320	320	....	....	....	5,311.28	2,500
Miracle No. 1 net	300	300	107.98	79.15	110.51	5,519.00	3,000
Do., No. 1 gr.	300	300	148.61	113.40	153.37	5,519.00	5,300
Do., No. 2 pfd.	160	200	67.04	119.86	87.31	....	2,900
Do., No. 2 gr.	160	200	75.86	108.40	77.10	1,387.08	3,500
Miracle No. 3 pfd.	...	...	....	....	....	......	2,400
Do., No. 3 gr.	...	...	....	....	186.62	......	5,300
National Vulcan	...	...	....	....	....	......	2,700
Twin City No. 2 gr.	200	...	....	....	86.04	......	....

* Approximately 25% over dealers' bid price.
§ Approximate ‡ April payments.

Wheat Prices

Winnipeg Grain Futures

Week of July 19, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close July 19
		Wheat			
1.10⅛	.95½	July	1.10⅛	1.07⅝	1.07⅞
1.10⅝	.96	Oct.	1.10⅝	1.08¼	1.08⅝
1.10½	.95⅜	Dec.	1.10½	1.07¾	1.08⅜
1.13	1.06⅛	May	1.13	1.09¾	1.10
		Oats*			
.51½	.47⅝	July	.51½	.51½	.51½
.51½	.49⅜	Oct.	.51½	.51½	.51½
.51½	.51½	Dec.	.51½	.51½	.51½
		Barley*			
.64¾	.62⅝	July	.64¾	.64¾	.64¾
.64¾	.62¾	Oct.	.64¾	.64¾	.64¾
.64¾	.64	Dec.	.64¾	.64¾	.64¾
		Rye			
1.02⅞	.65	July	1.00	.95¾	.95¾
1.03⅞	.70⅛	Oct.	1.01⅝	.95⅜	.95¾
1.02⅞	.87⅛	Dec.	1.01¼	.94¼	.95½

*At ceilings.

Cash Quotations

For Week

Wheat:	July 19 High	Low	Prev. Week High	Low
1 Nor.	1.11½	1.09⅞	1.09⅛	1.04¾
2 Nor.	1.07½	1.05⅞	1.05⅜	1.01
3 Nor.	1.01⅝	.99⅜	1.00⅜	.95¼
4 Nor.	.97⅜	.96⅛	.95⅝	.91⅜
5 Wheat	.96⅞	.95⅜	.94⅞	.90⅜
6 Wheat	.94⅞	.93⅝	.92⅜	.87⅞
Oats:				
2 C. W.	.51½	.51½	.51½	.51⅛
3 C. W.	.51½	.51½	.51½	.51⅛
Barley:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
2 C. W.	1.00	.95¾	1.02	.90⅛

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
***1935 to date:**												
High	134.5	234.4	149.7	123.7	135.7	118.3	138.0	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	78.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
April	100.8	79.8	93.3	67.7	121.1	87.4	128.2	89.5	95.8	80.9	101.4	82.6
May	104.0	89.3	91.6	67.9	119.9	88.7	128.1	91.4	101.0	80.5	106.2	83.7
1943: Weekly Figures:												
June 3	108.0	96.5	94.3	69.1	122.2	87.7	130.1	93.3	105.4	80.7	108.8	84.8
June 10	107.1	95.0	97.6	75.0	123.4	88.9	133.4	94.2	109.8	80.9	111.3	87.1
June 17	108.9	93.7	97.1	73.0	123.4	89.1	132.9	92.7	113.2	81.3	112.3	86.2
June 24	110.1	96.3	94.5	72.1	123.7	90.6	133.0	92.8	111.8	81.8	111.4	86.1
June 30	108.2	93.6	94.6	72.8	125.6	89.0	134.7	92.6	109.5	81.4	109.6	85.8
July 8	108.4	95.7	94.2	84.0	125.4	88.3	138.0	91.8	110.8	81.6	110.9	89.6
July 15	110.5	113.0	95.3	86.5	126.2	90.4	137.1	95.7	111.0	81.7	113.1	91.8

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Juy 20	123.86	90.22	75.24	26.77
July 19	124.04	90.03	75.31	26.82
July 17	123.71	89.47	74.94	26.37
July 16	123.57	88.79	75.11	25.99
Juyl 15	123.55	89.08	74.85	26.12
July 14	123.48	89.09	74.89	26.15
Month ago	119.74	84.15	73.48	23.61
Year ago	84.98	62.59	60.19	16.05
High 1943	124.05	90.22	75.31	26.82
Low 1943	98.88	70.64	63.57	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
July 20	63.1	82.3	75.9	124.79	68.34
July 19	63.2	82.3	75.9	126.36	67.96
July 17	63.0	82.2	75.8	127.60	67.87
July 16	62.7	82.1	75.6	127.16	67.89
July 15	63.0	82.1	75.8	129.86	67.74
July 14	63.3	81.1	75.2	129.19	66.20
Month ago	62.4	79.5	73.8	109.43	64.71
Year ago	43.2	55.4	51.3	32.74	39.79
High 1943	63.3	82.3	75.9	129.36	68.34
Low 1943	51.8	63.4	59.5	74.07	49.19

STOCKS NOT TRADED THIS WEEK

	Div. rate %	Last sale	July 19 Bid	Ask
Acme Glove	...	7½	..	7½
Do., pref.	6.50	70	71	..
Agnew Surp., pref.	7	113	112	..
Aluminium, pref.	6	119¼	116	119¼
Amer. Cyn. (B)	.60	37	33	..
Ang. Can. Tel., p.	2.75	45¼	44¾	..
Assoc. Brew. pf.	7	110¼	110¼	..
Assoc. T. & T.A.	...	1.00	1.00	..
Do., pref.	♦1.02	30	31	35
Ault & Wiborg	5.50	103	103¼	..
Bk. Can. Nat.	6	130	130	..
Barber Ellis	.25*	8¼	6	..
Barker's Bread	...	2.00	1.75	2.50
Do., pref.	...	28	26	28
Beath & Sons	.80	8	7¼	8¼
Beatty Bros. (B)	...	10	10	..
Do., 2nd pref.	7	112¼	113¼	..
Beaver Lumber	...	5	5	..
Do., pref.	...	110	99	..
Belding Cort., pf.	7	120	118	..
Bertram & Sons	.30+.10	8	9	10
Biltmore Hats	.60	8	8	9
Blue Top Br. (A)	.60	12	13	..
Do. (B)	...	12	12¼	..
Brand. Hender.	...	3	4	8
Bright, T. G.	...	6¼	5	6
Do., pref.	6	92	90	..
Canada Bread, pf.	6	104	105	..
Do., pref (B)	2.50	50	45¼	53
Canada Bud	.10*	9	9	..
Can. Cr. Stone	.40	5	4¼	..
Canada Cycle, p.	5	105¼	105¼	..
Can. Forg. (B)	♦1.50	40	40¼	42
Can. Iron	...	69	..	70
Do., pref.	6	80	..	..
Can. Starch	.50	10	9	..
Do., pref.	7	110	..	..
Can. W Cable	4	65	65	66
Do. (B)	.50*	20	18	19¾
Do., pref.	6.50	109¼	109	..
Can. Bronze, pf.	5	107¼	107¾	..
Can. Cottons, c.	4+2	103¼	103¼	..
Can. Fairb. pf.	6	101	103	..
Candn. Fire	4	71	70	..
Can. For. Inv. pf.	8	105	105	..
Can. Gen. Elec.	8	205	200	..
Can. Gen. Secs. (A)	...	6¼	5¾	..
Do. (B)	...	6¼	5¾	..
Can. Indust., pf.	7	167	167¼	..
Can. Int. I. Tr. pf.	2	53	52	..
Can. Lt. & Pr.	1	15	15	16
Can. Oil, pf.	8	125	125	130
C. Pr. & Pa. In. c.	...	.75	.60	1.00
C. Tube & Stl.	...	6	..	..
Do., pref.	1.75*	105	..	..
Do., 2nd pf.	...	7	..	..
Can. Vickers, pf.	...	60	60	65
Can. Wallpaper (A)	1	10	11	..
Do. (B)	1	10	11	12
C. Wire Box	1.50+.50	17¼	18	19¼
Capital Estates	...	2.75	2.30	2.75
Carnation pfd.	4	116¾	116¼	..
Catelli Food	...	10¼	9	..
Do., pref.	.75	13¼	..	13¾
Celtic Knit	...	1.60	1.50	..
Cent. Can. L'n	8	135	125	137¼
Chart Trust	4	85	75	88
Ch. Gai Wines	...	4¾	4¼	..
City Gas & El.	...	.25	.25	.40
Coll. Terminal	.25	4¾	5¾	6
Do., pref.	.25	5¾	5¾	6
Comm. Alcohol, pf.	.40	6¾	6¼	6¾
Conduits Nat.	.25*	4	4¼	4¼
Cons. Bakeries	.80	14	13¼	15
Cons. Div. Sec., c.	...	.20	.25	.35
Cons. Fire Co.	...	..	3¾	..
Corr. P. Box, p.	7+7▲	83	78	91
Crown Dom. Oil	...	1.25	1.25	..
Cub Aircraft	...	.80	.75	.90
David & Fre. (A)	1+.15	15¼	15	16
Do. (B)	...	2¼	2	2¼
de Havilland	...	5¼	5¼	8
Do. pref.	7+3.50▲	90	80	90
Disher Steel	...	1.25	1.00	1.25
Do., pref.	...	10	10	11
Distill-Seagram, pf.	5	107	104¼	109
Dom. Ang. Inv.	4	23	25	..
Do., pref.	5	75	77	..
Dom. Envelope	...	7¼	6	7¼
Do., pref.	...	50	52	..
Dom. Fabrics	.60*	9¼	9¾	10¼
Do., pref.	3	..	51¼	..
Do., 2nd pref.	1.50	22¼	22¼	23
Dom. Found. pf.	6	107	106¼	110
Dom. Glass, pf.	7	154	154	..
Dom. Square	...	2¾	2¾	..
East Koot Pr., c.	...	.50	..	..
East Dairies, c.	...	.90	..	.95
East Theat.	♦.50	6¼	..	6¾
Economic Inv.	1.27½	29	30	34
Electrolux	...	8¾	9	9¼
Equitable Life	.15	6¼	6	..
Federal Fire	2.50+.50	..	51	..
Federal Grain	2▲	90¼	..	..
Fleury Bissell	...	.75	.50	1.00
Do., pref.	...	18	18	19
Ford Motor (B)	1	22¼	21¼	24¼
For. Pr. Secs.	...	.50	.40	.60
Freiman	...	1.00	1.00	..
Do., pref.	6	65¾	75	..
Goodyear Tire, c.	2.50+2.50	95	87	92
Gt. West Life	15	240	235	..
Greening Wire	.60	11¾	10¾	11¼
Gurd, Chas.	...	7¼	7¼	8
Do., pref.	...	70	..	..
Halifax Ins.	.80	13¼	14¾	14¾
Ham. Cot., pf.	2	34	32¼	34
Ham. U. Theat.	...	1.00	1.85	3.00
Do. ,pref.	5	97	97	100
Harding Carpet	.20	4¼	4¼	4¼
Holt Renfrew, c.	...	8	5	..
Home Invest. ($40)	...	13	12	..
Do., part. certs.	...	10	10¼	..
Hunts (B)	.50	12¾	13¼	..
Hur.&E. Mt. 20% p	.80	10¾	10¼	12
Imperial Life	15	..	..	274
Imp. Varnish	.50+.10	8¼	9	9¼
Do., pref.	1.50	29	29	29¼
Inter-City Bak.	3+1	47	..	49
Inter'c. Coal	4	40	..	50
Do., pref.	8	125	..	..
Int. Metal Ind. pf.	6	95	97	100
Int. Mill., pf.	5	115	113¼	115
Int. Paints	...	3¼	3	3¼
Do., pref.	1+.50▲	18	16¼	19
Int. Pap. & P. pf.	5	63¼	..	..
Int. St. Rlty. (A)	...	..	..	10
Do. (B)	...	..	..	3
Jam. Pub. Ser.	.68	11	11	12
Do., pref.	7	101	101	..
Lake of Woods, pf.	7	126	126¼	130
Landed Bank	4	55	58	65
Langley's pf.	3	26	25	28¼
Legare, pf.	...	10¾	10¼	12
Levy Bros.	.10*	3	2¾	..
Lindsay, C W.	...	7¼	7¼	7¼
Do., pref.	2	55	52	..
Mackenzie Air	...	1.00	..	..
M. L. Gardens	...	6¼	6¼	8¾
Do., pref.	.40	6¾	6¾	7¼
Maritime Tele.	.70	15	15	..
Do., pref.	.70	17	17	..
Marcus Loew's	...	25	32	..
Do., pref.	7	100	101	..
Melchers, c.	...	1.75	1.50	2.00
Mitchell, J. S.	2.50	44	45	50
Mod. Contain.	1.20	16¼	15¾	18
Do., pref.	5.50	92¼	92¼	97
Monarch Knit, c.	...	3	4¼	6
Monarch Life	12%	33	31¼	..
Montreal Cot.	4	72	70	75
Do., pref.	7	125	125	..
Mont. Is. Pr.	...	.25	.25	..
Montreal Loan	1.25	17	16	..
Mtl. Refrig. & S.	...	.75	.75	..
Do., pref.	1.25	22¼	22¾	..
Moore Corp. pf. (A)	7	189	183	..
Do., pref (B)	7	276	..	..
Murphy Paint, pf.	5.50	..	96¼	..
Nat. Breweries, pf.	1.75	40	39	40
National Tr.	8	156	156	160
Niag. W. Weav.	.50	18	17	17¼
Nor. Can. Mtge.	...	6¼	6¼	9
N.S.L. & Pr.	6	80	..	80¼
Do., pref.	6	104¼	108	..
Ogilvie Flour, pf.	7	161	160	..
Ontario Loan	5	105	105	113¾
Ont. Silknit	...	1.50	1.00	4.50
Do., pref.	3	35	34¼	43
Do., Scripts	1	14	12	15
Ont. Steel	1	16	16¼	17
Do., pref.	7	120	113¼	..
Ott. Car Air	...	6	5¾	6
Ott. L.H. & Pr. pf.	5	87	83¾	..
Pacific Coyle	.03	.30	.30	..
Paton Mfg., pf.	7	119	112	..
Penmans, pf.	6	126	126	..
People's Cr. Sec.	.25	5	4	5¼
Porto Rico Pr. P.	7	101	100¼	..
Que. Telephone	...	4	4¼	..
Regent Knit, pf.	1.60	21	..	21
Reliance Grain	...	16	..	..
Do., pref.	6.50	88¾	88¾	..
River S. Mill	2	25	24	25
Rolland Pap., pf.	6	97	92	96
Sangamo	.30*	15	..	35
Sarnia Br. (B)	...	3	3	3¾
Scythes & Co.	1+.50	14¼	16	19¾
Do., pref.	1.75	25	25	..
Sher. Wms., pf.	7	124	..	124
Silverwoods, c.	.40	9¾	9¾	11
Simon & Sons, pf.	7	104	105	..
St. Law. Flour	1.40+.50	33	32	..
Do., pref.	7	120	120	..
Stand Clay	...	5¼	4	6
St. Pav. & Mat. pf.	.62½	9¼	9	10
Stedman Bros.	.60+.60	22	20	22
Sterling Coal	...	3¾	3¼	5
Stop & Shop	...	.25	.25	1.00
Stuart, D. A., pf.	.80+.25	12¼	12¼	14
Supersilk H. A.	...	3¼	3	3¼
Do. (B)	...	3	3¼	..
Do., pref.	5	80	80	85
Sup. Pete. com.	1	23	25	28
Tamblyn, pf.	2.50	53	52¾	..
Thayers	...	1.25	1.25	..
Do., pref.	2	20	23	26
Thrift Stores, pf.	...	22	22¼	25
Tip Top Tailors	.22½	9¼	7¼	9
Do., pref.	7	104	103	..
Tooke Bros., c.	...	1¼	1¼	..
Tor. Mortgage	5	79	78	81¼
Traders Bldg.	...	46¼	50	..
Thrift Stores, pfd.	...	22	22¼	23
Traders Fin. (A)	...	9	8¼	..
Do. (B)	...	8¼	8	..
Do., pref.	6	75¾	75¼	..
Do. (A) rights	1	8¼	9¼	..
Do. (B) rights	1	9¾	9¼	..
Un. Amuse. (B)	.80	13¼	16	..
United Distill.	.10*	2.25	1.75	2.25
United Secs.	...	8	8¼	8¼
Viau Bisc.	...	6	..	..
Do., pref.	5	60	56	..
Walkerville Br.	.05	1.75	1.75	2.00
Wellington Fire	2.50+1	..	58	..
W. Koot. Pr. p.	7	136	115	..
West. Breweries	.15	4	4¼	..
West. C. Flour, c.	...	6	6	6¼
West Grain	...	.65	.85	..
Do., pref.	...	25	39	..
West Grocers	3+2	80	77	80
Do., pref.	7	122	120	..
W'minster Pap.	.50	..	11¾	..
Weston Geo., pf.	5	101	101	105
Wood, A & J. p.	7	84	74	88
York Knitting	.40	8	6	7¾
Do. ,1st pref.	7	..	100	..

*Interim dividends paid in 1943.
♦Paid in 1942. ▲On arrears.
▪Participating.

Mining Stocks

	Div. rate	Last sale	Bid	Ask
Arno	...	.03	.01¼	.02¼
Beaufor	...	.03	.04	.05
Berens River	†.06	.70	.75	..
Bouscadillac G. M.	...	.01¾	.03¼	.03¼
Brazil Gold	...	.01	.01¼	.02
Camp Bird	...	.07	.05	..
Cartier Malartic	...	.01¾	.01¼	.02¼
Cent. Manitoba	...	.03	.02¼	.03
Century Mining	...	.02¼	.04	.07
Coniagas	...	1.05	1.01	1.10
Delnite	†.03	.60	.56	..
Dentonia	...	.00¾	.00¾	..
George Copper	...	.16	.17¼	..
Golconda	...	.05¼	.05	.06
Grandora	...	.05¼	.06¼	.07¼
Grandview	†.01	.13¼	.13	.15
Great Falls M.	...	.03¼	.02	.03¼
Halcrow Swayze	...	.04¼	.04¼	.05
Harker	...	.03¼	.02¼	.03¼
Home Gold	...	.00¾	.00¾	.00¼
Indian Mines	...	.01¼	.01¼	..
Jellicoe	...	.02¼	.02¾	..
J. M. Cons. Gold	...	.01¼	.01	.01¼
McGillivray C.	▲.02	.21	.20	.22
Mentor Exploration	...	.20	.10	..
Nor. Canada	...	.20	.21	.25
Norgold	...	.04	.03	.04
Pacific Nickel	...	.10	.08	.11
Powell Rouyn vt. tr.	...	.63	.60	.70
Prospectors Air's	...	.23	.23	..
Quatsino	...	.03	.02¼	.03
Quemont	...	.05	.07	..
Red Crest	...	.04	.03¼	.06
Silbak Prem.	†.11	.80	.74	..
Sudbury Contact	...	.03¼	.02¾	.03¾
Sunlock	...	.07	.15	.25
Surf. Inlet	...	.04	.04¼	..
Taylor Bridge	...	.05	.03	.05
Winnipeg R. Tin	...	.01¼	.00¾	.01
Wood Cadillac	...	.00¼	.00¼	.01¼

Oil Stocks

	Div. rate	Last sale	Bid	Ask
Amalgamated	...	.07	.10	..
Anaconda	...	.05	.04¾	.05¼
Brown Oil debs.	..	25.00	25.00	..
Grease Creek	...	.01	.01¼	.03¼
High Sarcee	...	.15	.11¼	.15
Madison	...	.03	.03	..
McD. Segur	...	.07¼	.08	.09
Oil Selections	...	.05	.04¾	.05¼
Petrol Oil & Gas	...	.25	..	..
Spooner	...	.08¼	.07	.10
Sunset	†.01¼	.08	.08	.09
Vulcan	...	.25	.22	.29

▲Paid in 1942. †Interim paid in 1943.

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

July 20, 1943

Miscellaneous Stocks:	Bid	Ask.
Allens Lond. Thea., pfd.	54	..
Atlas Steels, 7% 2nd pf.	106	109
Brantford Roofing, c.	2¾	..
Can. Co-op. Wool.	9	..
Can. Fairbanks, com.	23¼	..
*Can. Gen. Rubber, pfd.	..	21
Can. Paving 1st pfd.	1¼	..
Can. West. Lumber, c.	.30	.50
Cawthra Apts. pfd.	3¼	..
Claude Neon 7% pfd.	4¼	6
Commer. Life 10% pd.	6	..
Copland Brewing	.90	..
Eastern Steel 5% pref.	20¼	21¾
†Easy Wash. 7% pref.	10¼	11¼
Fed. Fdries & Steel c	.16	.22
Franco Oils	.33	..
Highland Dairy, c.	1	..
Insce. Exch. Bldg. c.	1	1¾
McCuaig Red Lake	.03¼	..
Milton Brick, com.	.08	.20
Monarch Mtge. units	1¼	..
Nat. Hosiery com.	1	..
Do., pref.	1	..
Niag. Falls Loan	4¾	6
†Nor. Amer. Elev. 1st pf.	87	..
*Do., 2nd pref.	27	..
Do., com.	..	1
Nor. Telephone, c.	1¼	..
Numaque Mining	.05	..
Que. Pulp & Paper pfd.	24	26
Ritchie Cut Stone pfd.	1	4
P. L. Robertson Mfg. c.	20	..
Do., $2.50 pfd.	43	45¼
Sawyer-Massey com.	1	2
St. John Dryd. 5½% pf.	96	100
Sincennes McN. com.	2	.
Un. Farmers Co-op.	3¼	4
Waterloo Mfg.	6	7
Windsor Hotel com.	.80	1.25
York Trading, com.	3¾	5

*Issue carries arrears.
†Currently paying on arrears.

Municipal Bonds

July 20, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.95
Montreal	5	1945	96.00	99.00	*
Ottawa	4½	1945	104.00	105.50	2.07
†Quebec	5	1959	115.00	118.00	3.62
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	121.50	124.50	3.35
†Vancouver	5	1950	113.50	117.50	4.31
Winnipeg	5	1944	100.00	102.00	1.96

†Payable Can. & N.Y. *Flat

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Shawinigan W.	*4%	1961	Oct. 1	103
Unit. Amuse. A▲	5%	1956	Aug. 1	103¼
Wood, A. & J.	6%	1944	Aug. 1	103
Dom. Telegraph	†5½%	1978	Aug. 2	100
Can. Pac. Rly.	4½%	1946	Sept. 1	100¼
Can. Breweries A	5½%	1946	Sept. 15	102
Do., ser. B	5%	1951	Sept. 15	100¼
Do.	4½%	1945	Sept. 15	102

*$2,224,000, ▲$19,000. †$6,000.

Annual Meetings

1943	Company	Place
July 24	Consolidated Press	Toronto
July 26	Standard Radio	Toronto
July 28	Eastern Dairies*	Montreal
July 29	Italo Arg. Elect.*	Buenos Aires
Aug. 24	Can. Wirebound Boxes	Toronto
Aug. 24	Eastern Dairies†	Toronto
Sept. 8	Loblaw Groceterias	Toronto

*Special general. †Bondholders.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 20, 1943

Public Utility Issues:	Int. Rate %	Due	Bid July 20	Ask.	Bid July 13
▲Alg. Cen. H.R.H.	5	'59	38¼	40¼	37¼
†Assoc. Tel. & T.	5½	'55	91	94	89
B. C. Power	4½	'60	101¼	103¼	101¼
B. C. Tel.	4½	'61	107	109	107
†Calgary Pwr.	5	'60	111¼	113¼	111
Do.	5	'64	106	..	105¼
†Can. Nor. Pwr.	5	'53	108	110	108
*Dom. Gas & El.	6½	'45	110¼	112¼	110¼
Gatineau Pwr.	5	'49	101¼	104	101¼
*Do., A	3¾	'69	107¼	109¼	107
♦Do., B	3¾	'69	101¼	103¼	101¼
Gt. Lakes Pwr.	4½	'56	02	104¼	102
Do.	5	'57	102	104¼	101¼
*Int. Hydro-El.	6	'44	72	75	70¼
▲Inter. Power	6	'55	103	..	103
L. St. Law. Pwr.	5	'55	101	..	101
Macl'n-Que. Pr.	4	'59	103¼	105¼	103
Mtl. L. H. & Pr.	3½	'56	104	106	103¼
Do.	3½	'73	102¼	104¼	102¼
Do.	3½	'63	102¼	104¼	102¼
†Mtl. Tramways	5	'51	104¼	106¼	104
†Do.	5	'55	92	95	92
Nat. Lt. & Pwr.	4½	'61	100	103	99
N. S. Lt. Pr.	4	'57	102¼	..	102
Ottawa L.H.&P.	4	'57	102¼	105	102¼
Ottawa V. Pwr.	5	'59	102	104¼	102
†Power Corp.	4½	'59	99¼	102¼	99¼
Quebec Pwr.	4	'62	103	105	103
*Saguenay P., A	a4½	'66	114	..	114
♦Do., B	4½	'66	106	108	106
St. Maurice Pr.	4½	'70	104	106¼	104
Shaw. W. & Pr.	4	'61	104¼	106¼	104
†Do.	4½	'70	114	116	113¼
Do.	4	'69	104¼	106¼	104
Union Gas	4½	'50	100¼	103¼	100¼
†Twin C. R. Tr.	5½	'52	100	102¼	99¼
†United Secs.	3	'52	95¼	98¼	95¼
‡Wpg. El., ser. A	5	'65	97¼	100	97
Do., B	5	'65	94	97	92¼
Industries and Realty Issues:					
†Abitibi P. & P.	5	'53	74	77	72
Do., C.O.D.	5	'53	73¼	76¼	72
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	100¼	103	100
†Alta. Pac. Grain	6	'46	105¼	107¼	105¼
Algoma Steel	5	'48	103¼	105¼	103¼
Atlantic Sugar	4	'51	101¼	103¼	101
†B. C. Pulp & P.	6	'50	97¼	100¼	96¼
Do.‡†	7	'50	80¼	83¼	80
Brown Co.	5	'59	84¼	87¼	85
Burns & Co.	5	'58	86	89	85
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	97	100	97
Can. Paper	4½	'52	100	103	100
Can. Steamship	5	'57	104¼	106¼	104¼
Can. Canners	4	'51	102¼	104¼	102¼
*Can. Int. Paper	6	'49	109	112	108
‡Can. Locomotive	6	'53	102¼	105¼	102
‡†Candn. Vickers	6	'47	104	106¼	103¼
C. P. R.	3½	'51	101¼	103¼	101
Do.	4	'49	104¼	106¼	103¼
Col. Steamships	6	'54	102	..	102
†Consol. Paper	5½	'61	84¼	87¼	82¼
Dom. Coal	4½	'52	101	103	100¼
Dom. Scott. Inv.	4	'52	100¼	..	100¼
Dom. Stl. & C.	6½	'55	105¼	108¼	105¼
Dom. Tar	4½	'51	103	105¼	103
Dom. Woollens	6	'53	99	102	98¼
†Donnacona Pap.	4½	'56	85	88	85
*Dryden Pap.	6	'49	105	108	105
†East. Dairies	6	'49	93	96	92
Famous Players	4½	'51	103	105	103¼
†Federal Grain	6	'49	106¼	108¼	106¼
†Fraser Cos.	6	'50	103¼	..	103¼
Galt Brass	5	'50	96	99	96
Gen. Stl. Wares	4½	'52	103	105¼	103
*Great L. Paper	5	'55	98¼	101¼	97¼
*Gurney Fdry	5½	'49	94	97	94
†Gypsum Lime	5½	'48	104	107	104
Ham. By-Pr. C.	5	'55	102	..	102
Do.	6	'56	101¼	..	101¼
Ham. Cotton	4½	'50	99¼	102¼	99¼
Inter-City Bak.	5½	'48	102¼	..	102¼
Indust. Accept.	4	'52	94¼	..	94¼
Ins. Ex. Bldg.	3	'51	56¼	..	56¼
*Inter. P. Nfld.	5	'68	101¼	104	101¼
*Inv. Bond & Sh.	5	'47	50	..	43
†Kingston Elev.	6	'50	104	107	104
Lake St. J. P.	5½	'61	94	97	93¼
Do.	5	'61	72¼	74	72¼
Legare	6	'61	93	96	93
Maple L. M.	3	'57	100	102¼	100
Man. Sugar	5	'60	103¼	..	103¼
Massey-Harris	4½	'54	101	103	101
McColl-Fron.	4½	'49	103	105	102¼
McCormicks	4	'52	99¼	102¼	99¼
Do.	4½	'52	101¼	..	102
Mercury Mills	5	'59	100¼	103¼	100¼

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid July 20	Ask.	Bid July 13
Mersey Paper	5	'57	96	99	95¼
†Do.	6	'49	96¼	99¼	96
*M. & O. Paper	5	'60	106	109	104¼
Moirs Ltd.	6	'53	86	..	85
‡Mtrl. Drydocks	6	'48	95	..	95
Montreal Apts.	4	'54	55	58	55
N. S. Stl. Coal	3½	'63	85	88	84
Price Bros.	5	'57	100¼	103	100
Do.	4	'57	92	95	90
*Prov. Paper	5½	'47	104	107	104
Reliance Grain	4½	'52	100	103	100
†Restigouche Co.	6	'48	103¼	..	103¼
Rolland Paper	4½	'51	102	..	101¼
Ruddy, E. L.	6½	'48	94	..	94
Silv. Dairies	6	'66	98	101	98
Simpsons, Ltd.	4½	'51	103	105	103
Smith, Howard	4½	'51	103	105	102¼
Stand. Lime	6	'44	99	..	99
Sterling Coal	6	'45	99	..	99
Stop Shop	3	'47	76	..	76
United Amuse.	5	'56	102	..	102
United Corp.	5	'53	100	103	100
*United Gas	5½	'48	106	..	106
†Western Grain	6	'49	100¼	103¼	100¼

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$12.54	$12.59	$10.66
Hogs	16.85	16.80	15.82
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2141	.2162	.2014
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	1.09⅞	1.09⅛	.80⅞
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.0	103.1	98.5
Wood Gundy	80.8	80.3	77.3
Dow Jones (fut.)	92.54	93.00	85.29
Fishers	110.8	111.1	108.4
Monthly Indices			
Canada (D.B.S.):			
Retail (June)	118.5	118.1	116.7
W'sale (May)	99.2	98.9	95.2
U. S. (Apr.)	103.7	103.4	98.7
Gt. Brit. (Mar.)	162.2	161.7	158.8

Note:—The base of indices is that 1926 equals 100 †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic. New York, No. 7 coffee. Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Drilling Wells

Well:	Drilling depth ft.	Offering price per 1%
Maryland Pete. pfd.	8,723	$4,800
Major Oil No. 6 pfd.	8,022	3,200
Major Oil No. 6 gr.	8.022	6,300

Public Utility Earnings

Mexican Light & Power

April:	1943	1942
Gross earnings	$1,003,159	$932,582
Oper. exp. & deprec.	717,376	610,593
Net earnings	285,783	321,989
Jan.-April:	1943	1942
Gross earnings	$4,051,001	$3,808,292
Net earnings	1,274,673	1,349,968

Subject to final exchange rate adjustment.

Dividends Declared

	This payment $	Date payable	Date of record
Anglo-Can. Tel. "A"	.15	Sept. 1	Aug. 10
Anglo-Can. Tel. pf.	.68¾	Aug. 2	July 9
Aluminum of C., p.	1.25	Aug. 1	June 30
Ault & Wiborg, pf.	1.37½	Aug. 3	July 2
Agnew Surpass	.40	Sept. 1	July 31
Do., extra	.20	Sept. 1	July 31
Do., pref.	1.75	Oct. 1	Aug. 31
Bank of Montreal ..	1.50	Sept. 1	July 31
Bank of Toronto ..	2.50	Sept. 1	Aug. 14
Bruck S. Mills	.10	Sept. 15	Aug. 13
Bathurst Pr.&P. A	.25	Sept. 1	July 30
Belding Cort.	1	Oct. 1	Aug. 31
Do., pref.	1.75	Oct. 1	Aug. 31
Bertram & Sons	.15+.05	Aug. 16	July 31
Blue Ribbon, pfd.	.62½	Aug. 1	June 30
Calgary Power pfd.	1.50	Aug. 2	July 10
Caldwell Linen, pf.	.38	Aug. 2	June 30
Do., 2nd pref. ...	.20	Aug. 2	June 30
Canada Starch, pf.	■3.50	Aug. 15	Aug. 8
Canadian Oil, c. ..	.25	Aug. 14	July 30
Can. Bk. of Com ..	1.50	Aug. 2	June 30
Can. Bronze	.37½	Aug. 2	July 9
Do., pref.	1.25	Aug. 2	July 9
Can. Gen. Elec. ...	.2	Oct. 1	Sept. 13
Can. For. Inv.. pf. ..	■2	Oct. 1	Sept. 1
Can. Converters	.50	July 31	June 18
Can. Int. Inv. Tr., p.	.50	Sept. 1	Aug. 2
Can. Investors	.10	Aug. 2	July 5
Can. Pacific Rly pfd.	2	Aug. 3	June 30
Can. Nor. Power ...	■.15	July 26	June 19
Can. Breweries, pf.	.85	Oct. 1	Aug. 16
Commoil	.00½	Aug. 23	Aug. 7
Consolidated Press A	.40	Aug. 16	Aug. 2
Crown Cork.......	.50	Aug. 16	July 15
Coast Breweries	.03	Aug. 2	July 15
Can. Bakeries, pfd .	1.25	Sept. 1	July 31
Consumers Glass ..	.50	Aug. 31	July 30
Distillers Seag., pf.	†1.25	Aug. 2	July 15
Dominion Bank	2	Aug. 2	July 15
Dom. Fabrics	.20	Aug. 2	July 15
Do., 1st pref.	.75	Aug. 2	July 15
Do., 2nd pref. ...	.37½	Aug. 2	July 15
Dom. Oilcloth ..	.30+.10	July 30	June 30
Dome Mines	■.40	July 30	June 30
Dom. Scot. Inv. pf.	.50	Sept. 1	Aug 2
Dom. Tar & Ch., p.	1.37½	Aug. 2	July 2
Eastern Steel	.25	Sept. 1	Aug. 14
Gordon & Belyea A.	2	Aug. 2	July 24
Do., com. B	.40	Aug. 2	July 24
Gen. Steel Wares, pf.	1.75	Aug. 16	July 23
Hedley Mascot G. .	.02	Aug. 16	July 21
Hydro El. Secs. B pf.	.25	Aug. 2	June 30
Imperial Bank	2	Aug. 2	June 30
Intern. Holdings ...	.50	Aug. 16	July 15
Inter. Nickel, pfd. .	†1.75	Aug. 2	July 6
Invest. Found.	.75	Oct. 15	Sept. 15
Inter. Util. pr. pf.	‡†.87½	Aug. 1	July 21
Int. Metal, pf. A pf.	1.50	Aug. 2	July 15
Kerr Lake Mines..	†.05	Aug. 20	Aug. 5
Leitch Gold	.02	Aug. 14	July 15
Langley's pref.	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Levy Bros.	.10	Aug. 2	June 28
Lindsay, C. W.	2	July 31	June 30
Lake of Woods M.	.30	Sept. 1	Aug. 2
Do., pref.	1.75	Sept. 1	Aug. 2
Laura Secord	.20	Sept. 1	Aug. 2
Loblaw Groc. A,B..	.25	Sept. 1	July 30
Montreal Loan	.31¼	Sept. 15	Aug. 31
Mtl. Light & Power	.38	July 31	June 30
Massey Harris pfd	.62½	Sept. 15	Aug. 14
McIntyre Porc. ..	.55½	Sept. 1	Aug. 2
Nor. Ont. Pwr.	.12	July 26	June 30
Do., pref.	1.50	July 26	June 30
Ogilvie Flour	.25	Oct. 1	Aug. 30
Do., pref.	1.75	Sept. 1	July 30
Ont. Steel Prod. ...	.25	Aug. 16	July 16
Do., pref.	1.75	Aug. 16	July 16
Ottawa L. Pr.	.15	Oct. 1	July 9
Do., pref.	1.25	Oct. 1	July 9
Paton Manfg Co. ..	1	Sept. 15	Aug. 31
Do., pref.	1.75	Sept. 15	Aug. 31
Penmans	.75	Aug. 16	July 16
Do., pref.	1.50	Aug. 2	July 2
Pend Oreille M.	†.06	July 28	June 26
Prov. Transport ..	.20	Aug. 14	Aug. 4
Privateer Mine	■.02	Aug. 10	July 25
Quebec Power	.25	Aug. 25	July 23
Regent Knit., pfd.	.40	Sept. 1	Aug. 2
Do., ...	.40	Dec. 1	Nov. 2
Rolland Paper	.15	Aug. 16	Aug. 6
Do., pref.	1.50	Sept. 1	Aug. 16
Royal Bank	1.50	Sept. 1	July 31
Royal Trust	.80	Aug. 2	July 20
Siscoe Gold	.01½	Sept. 15	Aug. 12
Stuart, D. Oil, pf.	20+25	Sept. 1	Aug. 14
St. Law. Flour	.35	Aug. 2	June 30
Do., pref.	1.75	Aug. 2	June 30
Saguenay Pwr., p.	1.37½	Aug. 1	July 15
Shawinigan W.	.23	Aug. 25	July 23
Silbak Prem.	.03	July 26	June 25
Sigma Mines	■.30	July 28	June 28
Sherwin-Wms., com.	.15	Aug. 1	July 10
Silverwood D.	.20	Oct. 1	Aug. 31
Do., pref.	.20	Oct. 1	Aug. 31
Simpsons, pfd. ...	1.62½	Aug. 2	June 30
South Can. Pwr. ..	■.20	Aug. 16	July 20
Stand. Chemical ...	1.25	July 31	June 30
Steel of Can.	.75	Aug 2	July 7
Do., pref.	.75	Aug. 2	July 7
Toburn Gold	.01	Aug. 23	July 22
United Corp. (A) ..	.38	Aug. 16	July 15
United Grain, A ..	1	Sept. 1	July 31
Do., B	.25	Sept. 1	July 31
United Fuel A	.75	Oct. 1	Sept. 10
Upper Can. Mines.	.02½	Aug. 28	Aug.14
Waite Amulet ...	.20	Sept. 10	Aug. 10
Wr.-Hargreaves ...	.07½	Oct. 1	Aug. 26
Walker H. Good ...	1	Sept. 15	Aug. 13
Do., pref.	.25	Sept. 15	Aug. 13
Weston, Geo., pfd.	1.25	Aug. 2	July 8
Wood, A. & J., pfd.	1.75	Aug. 1	July 15
York Knitting ...	.20	Aug. 16	July 30
Do., 1st pref.	3.50	Aug. 16	July 30
Do., 2nd pref.	3.50	Aug. 16	July 30
Zellers	.20	Aug. 1	July 15
Do., pref.	.37½	Aug. 1	July 15

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board.

‡Subject to approval of Securities and Exchange Comm., payable out of capital surplus.

DIVIDEND NOTICES

SISCOE GOLD MINES LIMITED

NOTICE OF DIVIDEND NO. 46

NOTICE is hereby given that a Dividend of One and One-Half Cents (1½c) per share on the issued Capital Stock of Siscoe Gold Mines, Limited, has been declared payable on September 15th, 1943, to shareholders of record at the close of business on the 12th day of August, 1943.

By Order of the Board.

H. E. GREEN,
Secretary-Treasurer.

Montreal, July 15th, 1943.

GENERAL STEEL WARES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a fixed cumulative dividend of $1.75 per share, being at the rate of 7% per annum in respect of the three months' period commencing on the 1st day of May, 1943, and ending on the 31st day of July, 1943, has been declared on the outstanding 45,000 shares of 7% Cumulative Participating Preferred Stock of a par value of $100.00 each of General Steel Wares Limited, payable on the 16th day of August, 1943, to shareholders of record at the close of business on the 23rd day of July, 1943.

By Order of the Board,

FRANK S. BROPHY,
Secretary.

Montreal, July 15th, 1943.

YORK KNITTING MILLS, LIMITED

DIVIDEND NOTICES

Notice is hereby given that a dividend of 3½% has been declared on the First Preference Stock of the Company for the six months ended June 30, 1943, payable August 16th, to shareholders of record at the close of business on July 30, 1943.

Notice is hereby given that a dividend of 3½% has been declared on the Second Preference Stock of the Company for the six months ended June 30, 1943, payable August 16th, to shareholders of record at the close of business on July 30, 1943.

Notice is hereby given that a dividend of 20c per share has been declared on the Common Stock of the Company for the six months ended June 30, 1943, payable August 16th, to shareholders of record at the close of business on July 30, 1943.

By Order of the Board,

WM. A. CLARKE,
Secretary.

Toronto,
July 19, 1943.

Winnipeg Grain

Great Variations Crop Outlook

Manitoba Conditions Good But Whole Crop is Late

From Our Own Correspondent

WINNIPEG.—Crop conditions in western Canada are extremely varied. In Manitoba they are on the whole quite good. The whole province has had abundant rainfall, although in some areas the supply of moisture has been too abundant, and crops have suffered some deterioration on that account. In Saskatchewan and Alberta there are considerable areas where moisture supply has been so scanty that some stands are regarded as almost a loss, and the best yields on summerfallow run only from poor to fair. There are also sections in each of these two provinces where crops seem to promise average yields, and others where much better than average yields can reasonably be expected.

The comparatively small area seeded to wheat, and the considerable increase made this year in seedings of oats and barley make it difficult to forecast probable outturns. Wheat, as a rule, withstands and recovers from adverse conditions much better than do these other grains. That fact leads to considerable fears of damage from unfavorable weather, which, however, in many cases are fears rather than uncertainties. On the whole the crop is late and in some areas very late—so much of it is still in a condition where growing conditions for weeks yet will have an effect upon the outturn.

Deliveries Slow

Wheat deliveries by farmers have been made rather slowly during the past week. The total for the crop year is now 250 million bushels. It is evident that by July 31 it will fall considerably short of the allowable maximum for the crop year, or 15 bushels per authorized acre for each farmer.

To this condition several quite distinct causes contributed. A considerable number of farmers, in spite of the generally good crop last fall, did not have that quantity to deliver, some of them because of local adverse conditions, and some of them because they had seeded little wheat. At a large number of stations farmers have wheat to deliver and want to make use of the remainder of their quotas but cannot find space to do so, because railway movement of wheat is not sufficiently rapid to relieve congestion in local elevators. Other farmers who have wheat on hand, and could find space to deliver it, are holding it back, in some cases because they are not yet sure that they will not need it for feed if their crops of oats and barley turn out badly, in other cases because they anticipate higher prices and think that it may pay to hold.

Although prices for wheat in Winnipeg and Chicago are far apart and at the present time have no necessary relation to each other, the Winnipeg market is beginning to show a tendency to be influenced by fluctuations at Chicago. At the beginning of this week there was a recession from levels attained last week.

Factors influencing the Chicago market are complicated, and not easy to follow. Guesses from day to day at possible changes in government policy, whether in connection with suggested ceiling prices for wheat, export subsidies and manufacture of alcohol, or import of Canadian wheat, play their part.

Application of subsidies to flour exported to the West Indies or to Latin American countries appears to have been discontinued. That seems to point to an increase of milling in bond of Canadian wheat, or possibly even to the transfer of a certain volume of milling business from the United States to Canada. It has been regarded more as a weakening influence at Chicago than immediately as a strengthening factor at Winnipeg.

Coarse milling of wheat for use in distilleries was suspended for a time while alcohol distillers sought a clarification of their position with respect to the recovery of costs. Although it seemed likely to be resumed, it meant a certain slackening in the immediate demand for wheat.

As for importing Canadian wheat, the trade in the United States expects this to continue, although there seems to be doubt whether transportation difficulties in getting supplies can be overcome.

Crop Down 200 Million Bushels

The United States crop now promises a yield larger by 50 to 75 million bushels than seemed probable not long ago, although it will be at least 200 million bushels below calculated disappearance for the crop year. But as a good deal of that disappearance was calculated in connection with livestock feeding, expectation of a good corn crop will serve to adjust it somewhat.

Also to be noted is the fact that a considerable reduction is shortly expected in the livestock population of the United States, when marketable hogs and cattle are disposed of. Apparently the policy both of government and of farmers will be to adjust quantities downward to a point where numbers of livestock and capacity for feeding them are more in balance.

Strong pressure has been put on the government to increase the ceiling price on corn which, at $1.05 at Chicago—usually considered a very good level—is nevertheless low enough, in comparison with livestock prices, to persuade growers of corn that they can do better by feeding it on their own farms than by offering it for sale.

Inflation Check in Doubt

Now that it seems settled that the ceiling is not to be raised, one influence which seemed likely to advance prices of other feed grains is removed. Still more important, the opinion appears to be gaining ground that perhaps the Government of United States will manage to control prices and initiate restraints against inflation. In this respect doubts have frequently been expressed during recent months.

An interesting feature of the wheat price structure is the premium for cash No. 1 Northern as compared with the July delivery. Worthy of attention also are the narrow margins between future delivery months, with the October at a premium over the December. This is the type of market which is frequently associated with strength, indicating that the demand for wheat is largely from those who want to get possession of the actual grain, rather than from traders interested only in possible price advances.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 226

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1943, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd August next, to shareholders of record at the close of business on the 30th June, 1943. The Transfer Books will not be closed.

By Order of the Board.

S. M. WEDD,
General Manager.

Toronto, 24th June, 1943.

The Dominion Bank

Dividend No. 243

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st July, 1943. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second day of August, 1943, to shareholders of record of the 15th July, 1943.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 10th June, 1943.

The Royal Bank of Canada

DIVIDEND NO. 224

NOTICE is hereby given that a dividend of one and one half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of September next, to shareholders of record at the close of business on the 31st day of July, 1943.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., July 13, 1943.

ONTARIO SILKNIT LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of One Dollar ($1.00) per share, to apply on the dividends in arrears now outstanding, has been declared upon the Preference Shares of the Company, payable on the 16th day of August, 1943, to Shareholders of Record Monday, the 2nd day of August, 1943.

The books of the Company for the transfer of Preference Shares will be closed at 4 p.m. on Friday, the 30th day of July, 1943, and will be reopened on the 4th day of August, 1943.

By the Order of the Board,

C. H. BURGESS,
Secretary-Treasurer.

Commoil Limited Dividend Notice

Notice is hereby given that a dividend of ½ cent per share has been declared on the outstanding no par value shares of the Company, payable August 23rd, 1943, to shareholders of record at the close of business, August 7th, 1943.

The transfer books of the Company will not be closed.

BY ORDER OF THE BOARD,

G. J. McKay,
July 10th, 1943. Secretary.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE.

Notice is hereby given that an interim dividend of Twenty Cents (20c) per share, payable in Canadian funds, has been declared by the Directors of WAITE AMULET MINES, LIMITED, payable September 10th, 1943, to shareholders of record at the close of business August 10th, 1943.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, Ont.,
July 20, 1943.

Couchiching Conference Theme "United Nations"

"The United Nations Today and Tomorrow" will form the theme around which discussions will centre at this year's conference of the Canadian Institute of Public Affairs, which opens at Lake Couchiching, Ont., Aug. 21, and continues to Aug. 29.

Among speakers who will address the institute are:

J. B. Condliffe, Professor of Economics, University of California, and Associate Director, Carnegie Endowment for International Peace, New York City;

Alvin Hansen of Washington, D.C., who will present to the institute a program of world development;

Sir George Samson, Minister in Charge of Far Eastern Affairs, British Embassy, Washington, whose address on The Far East of Today and Tomorrow will draw on first-hand observations during his years with the British Embassy and Ministry in Tokyo and Singapore;

Graham Spry, a Canadian Rhodes scholar and former personal assistant to Sir Stafford Cripps;

Eugene Stailey, Professor of International Economic Relations, Tufts University, Mass., now in the Office of Foreign Relief and Rehabilitation Operations, Department of State, Washington.

Four Topics For Discussion

Round-table discussions, which will be an important part of the institute, will concern four main topics: Economic problems of the postwar world; the Soviet Union; the Far East; International political organizations.

The institute, which is expected to bring together men of wide experience and expert knowledge of problems of the world today, as well as those of the postwar period, will be under the chairmanship of Principal Malcolm Wallace, University College, Toronto.

The Canadian Institute on Public Affairs is under the auspices of the National Council of the Young Men's Christian Association of Canada.

Macassa Quarter Shows a Decline

Slight declines in both production and earnings were experienced by Macassa Mines the quarter ended June 30, 1943, with earnings equal to 5.88 cents a share compared with 6.4 cents a share the preceding three months.

Details of results in the latest quarter with comparative figures for the preceding quarter follows:

Estimated Earning Statement
Three Months Ended

	June 30 1943	March 31 1943
Net production	$422,289	$481,181
Add: Sundry income	3,962	1,509
Total revenue	426,251	482,690
Less: Oper. exp.	189,341	196,421
Depreciation	21,000	21,000
Reserve for taxes ..	58,138	93,405
Estimated net profit .	157,772	171,864
No. of tons milled ..	26,710	27,505
Average recovery ...	$16.17	$17.49

Urges Canada Take Part In Inter-American Plans

Setting up of Canadian publicity agencies in at least four or five Latin American countries is advocated by Carlos A. Calderon, Consul General of Mexico in Canada, as a primary requirement of trade expansion and effective friendship in the new peace era. It was under Sr. Calderon's sponsorship that the Canadian Inter-American Association was founded. He has now put forward concrete suggestions for immediate action.

Founding of Inter-American diplomatic and commercial relations "academies" as departments of existing universities is Sr. Calderon's second proposal. He thinks such a system would pay for itself through the fees of aspiring young diplomats and businessmen. The school of Inter-American commerce would start work with surveys in the "geopolitical" manner and continue its activity through the national trades and industry associations and the commercial government representatives.

"Canada's long tradition of preferential tariffs within the Empire gives her the experience to work out preferential treaties with her sister countries, who all too often have pleaded for lower tariffs elsewhere," observes the Latin American leader.

Press Program

Enlarging upon his basic proposal for the setting of a Canadian press bureau system in Latin America, Sr. Calderon cautions against narrow confinement to news releases.

"After the first flurry of articles and pictures in the papers, we should continue with features collected from our travel agencies and writers, distributing these to the newspapers and magazines that accepted our previous material. In order to place this effort on a self-sustaining basis, we might form a newspaper alliance between the Canadian press and a string of Latin American dailies. Canadians may not realize it but Latin America itself is isolated in its parts so that often Mexico receives news of Argentina via New York and vice versa. With an 'Inter-American Press', whenever any one agency accepted articles for publication, we could arrange for their distribution in the capitals of all the other countries."

On his plan for integration of the universities, Sr. Calderon asks why these should not form a committee for exchange of credits, students and lecturers.

"In the last war Canadian universities succeeded in gaining recognition from British institutions; in this war we should see the same occur on this continent. To ensure the success of this enterprise in as short a time as possible and with the minimum of correspondence, all the Canadian Inter-American Association would have to do would be to express its wishes and provide the personal contacts necessary in each country. First requisite is a national committee in each country which would communicate information via the Association concerning its various members. We would then work out a system of courses and credits and establish some series of co-ordinated standards by which students would know in advance where they could be placed for study abroad. The committee also would study deficiencies of instruction at home, with particular reference to language, history and culture of those countries to which its young people might go to study."

Moneta Porcupine reports 7,084 tons milled in the three months ended June 30, 1943, with average recovery of $11.47 per ton. Total recovery of $81,252 was almost entirely absorbed by operating costs of $77,347 and taxes of $3,395, with the result that an operating profit of $510 was converted into a net loss on operations of $31,777 after depreciation and deferred development. Investment and miscellaneous income of $14,340 reduced the net loss to $17,436.

Company states the quarterly report will be the last, and that operating earnings were sufficient partially to prepare the mine for shutdown.

Through Leta Exploration Ltd., a company formed recently with Karl Springer at its head, the company is carrying on active exploration in both the Yukon and Northwest Territories this year. Moneta and Leitch Gold each have a half interest in Leta Exploration, and each is committed to provide $25,000 a year for three years.

Commoil has declared a dividend of half a cent a share, payable Aug. 23, 1943 to shareholders of record Aug. 7. Last previous dividend was 1 cent a share paid Feb. 27, 1943.

Bidgood Gold Improves Ore

Opening of New Levels Expected to Yield Further Ore

Preparations are now reported actively proceeding at Bidgood-Kirkland Gold Mines to open new deep levels. A raise has been commenced from the No. 2 winze on the 1,525-ft. level to connect up with the main shaft at 1,275 ft. and this will allow the establishing of two new levels and the opening of the No. 10, 12 and 14 ore bodies on the new horizons.

These three ore bodies have supplied most of the ore for current operations and where opened on the 1,275-ft. level two of these ore bodies have already given 500 ft. of better than mine grade ore, it is stated. The 1,275-ft. level, while so far only partly developed, is the best to date in the mine, it is reported.

It is expected the raise will be completed in about six weeks. Ore position at present is the best in the company's history, being sufficient for nearly two years' milling at the current production rate. Production is being maintained at the higher rate established last fall when recovery advanced to nearly $50,000 a month, and the company now has working capital of over $250,000.

Production in June was $48,589 from the treatment of 4,178 tons, for an average recovery of $11.60 per ton, as compared with $48,871 from 4,287 tons and an average of $11.39 in May. Output for the second quarter of $147,899 is considerably above the same period in 1942 when production was $118,700.

Senator Finds Ore At Depth

Values Up to $15 a Ton Secured in 12th Level Drilling

New ore at depth, an upward trend to production, and a much-improved financial position, highlight the current situation at Senator-Rouyn, The Financial Post is informed. The new ore at depth is being viewed as of important significance.

A drill hole put down from the 12th level at a point directly below the best hole on the 11th level has cut 22 ft. of ore assaying $15 per ton, it is reported, while 50 ft. to the west of this intersection a second hole has cut a width of 7½ ft. averaging about $11 and a second width of 5 ft. running $3.85 per ton.

Another hole is being put down 25 ft. to the east in the hope of indicating a total length of 75 ft. of ore.

Since June 1 it is reported, the company has been milling higher grade ore and it is stated that June operations were the best in several months. The labor situation at Senator-Rouyn is stated to be not so acute as elsewhere.

Many Choose to Prepay Their Deferred Taxes

Individuals With Investment Income Over $3,000 Take Advantage of Clause Allowing Them to Pay Now at Discount 2% Per Annum

A substantial number of individuals with an investment income of over $3,000 a year are understood to be prepaying the deferred portion of their 1942 tax. They are permitted to do this by a little publicized clause in the recent amendments to the income tax act and indications are that as the clause becomes generally known more people will take advantage of it, The Financial Post is told.

Originally when Canada went on a pay-as-you-go income tax basis in April the amount of the tax liability for 1942 was reduced. This reduction was a full 50% on earned income and investment income up to $3,000. But on investment income over $3,000, half the tax, instead of being cancelled, remained as a deferred liability, to be paid at the time of the taxpayer's death.

Prepayment Approved

When the amendments were finally passed, however, they provided that the taxpayer could prepay this liability during his lifetime, at any time on or before April 30, 1944. He would be allowed a discount of 2% per annum for the period of the taxpayer's life expectancy, according to mortality tables approved by the Minister of National Revenue. It is understood the income tax authorities have a table of their own which they use for this purpose and anyone wanting to know what their life expectancy is can apply to the income tax office for the information. When computing the discounted value of his tax the taxpayer would deduct the refundable portion of the amount due.

Main consideration among people prepaying the deferred tax is that it enables them to clear off the liability during their lifetime. Otherwise the debt is hanging over the estate and may seriously complicate matters when the taxpayer dies and succession duties and other charges have to be met. Most men like to feel that at their death their estate will be as liquid as possible and this is one way of making it so.

Sow Meat Soon to be Sold To the Canadian Consumer

By STAFF WRITER

OTTAWA.—If you don't like the kind and quality of bacon or pork products you find on retailers' shelves in the next two or three months, blame a new order of the Meat Board.

The Meat Board has to find about 25 million extra lb. of bacon and pork products to fill its British quota between now and the end of September when the big fall run starts. To do so, it has reduced the number of exportable-type hogs that may be slaughtered for domestic consumption. But it has permitted the trade to make up the difference by killing more sows.

Ordinarily sow meat (which comes off the farms in large quantity at this time of year) is canned for export. Now it will be available for domestic use in Canada.

Heretofore federally - inspected packing plants were restricted to 50% of their 1940 kill for distribution in the domestic market. Under the new order this percentage has been cut to 35% for hogs other than sows.

Thus the packers may still slaughter up to 50% of the 1940 kill, provided the additional 15% consists only of sows. It is hoped in this way to move 6,000 or 7,000 sows per week from western Canada and 3,000 sows from the East into domestic markets. Much will depend on the price at which sows sell and, in the last analysis, on the willingness of the Canadian public to eat that kind of pork. Sow meat is usually fatter than ordinary hog meat and requires more careful handling by the packer.

In normal times Canadians eat about 55 lb. of bacon and pork products per capita. Under the present meat ration of 104 lb. per person per year, about 40 lb. is represented by pork.

Actually the proportion of pork available for Britain has been improving in recent weeks. Due to higher weight of hogs and better control of supply, the amount of export purchases has risen 34% in the past five weeks compared with corresponding figures a year ago. But this increase still leaves Canada about 25 million lb. short if the necessary rate of shipments to U. K. is to be maintained between now and October.

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How the U. S. Insurance For Servicemen Operates

Army and navy authorities in the United States are urging their members to take on the maximum amount of life insurance allowed under the National Service Insurance Act—$10,000.

This maximum amount of insurance will be available to all service men without physical examination up to Aug. 10. It is carried by the United States Government.

Normally a man entering the forces has just passed a physical examination and so for 120 days thereafter does not have to take another to get insurance. But in the rush of enlisting, etc., many soldiers didn't bother to take out insurance.

As the percentage of insured personnel in the army was found some months ago to be low, and as this insurance, it is understood, forms part of the pension plan in the United States, Congress amended the act so that during 120 days from April 12 to Aug. 10 the physical examination is waived. The premium for the maximum amount of insurance $10,000 is a little less than $7 a month at the average age of 28. The type of insurance sold is five-year term.

This system was followed in the last war in the United States.

Canadian Plan

While the Canadian Government has no insurance on the lives of her service men, it is estimated that on the average the pension paid the dependents of Canadian service men is as high as the combined pension and insurance benefits paid in the United States.

Moreover, it is pointed out, while the Canadian Government pays pensions to those entitled to them without requiring any financial contribution from the individual, the U. S. insurance plan requires a monthly premium payment by the man insured.

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Fire Insurance

Is Civic Self-Insurance Feasible?

Municipal Officers Seek Ways of Reducing Insurance Costs

Should a municipality carry its own fire insurance?

The question has attracted considerable attention in various parts of Canada and more recently in Edmonton and at the convention of Saskatchewan Municipalities Association. It has been claimed that fire losses on muncipal property are lower than on other types and, therefore, municipal risks should get a lower premium rate.

Insurance men, however, say that the whole principle of insurance demands that a broad view be taken; that the group pay the losses of the individual; that favorable experience over a term of years is no guarantee there will not be heavy losses in the future; if insurance rates were based on individual experience the man or municipality with no fires would pay no premium while the one who has a fire would pay 100% of the loss, in effect nullifying the object of insurance.

Edmonton Study

Possibly the most exhaustive study of municipal self insurance in recent years was recently made by the Commissioner John Hodgson of Edmonton. He concludes that fire insurance rates paid by Edmonton and other cities are too high and that if these are not reduced they should carry their own insurance.

Insurance men claim that premium rates have been reduced as experience became more favorable. They claim that municipal buildings, just because they are municipal buildings, cannot be rated separately, without regard to other conditions such as location, fireproof construction, sprinkler equipment, etc.

Canadian Cities

Mr. Hodgson has compiled figures from a number of Canadian cities showing premiums paid and loss experience as follows:

Experience of Some Canadian Cities

City	Period	Prems. Paid $	Losses Paid
London	1926-42	351,338	44,789
Ottawa	1933-42	69,827	32,746
Toronto	1930-42	704,568	74,820
Moose Jaw	1933-42	47,500	10
Regina	1933-42	173,105	1,555
Saskatoon	1915-39	271,241	86,286
Vancouver	1935-42	56,424	4,695

Calgary figures were not available when the report was made but the Calgary comptroller reports experience there was similar to that of Edmonton.

Mr. Hodgson also quotes figures from the United States to show that municipal fire losses in a number of states have been lower than those for all classes of property over the same period as follows:

	Loss ratio municipal property %	Loss ratio all classes property %	Period covered by survey years
Illinois	3.83	51.4	9
Michigan	8.13	54.1	9
Minnesota	22.65	52.43	19
New Maxico	2.91	47.35	8
New York	12.70	46.40	9
N. Carolina	20.75	53.88	9
S. Dakota	13.54	39.58	9
Texas	14.86	34.73	4
Wisconsin	15.35	48.10	9

Mr. Hodgson concludes that, as the ratio of losses on municipal property is so much lower than the general loss ratio, insurance is sold too cheaply to poor risks and too dearly to good risks.

Rates Vary

His study indicates that rates vary considerably. For example, Toronto pays 50 cents for $100 of insurance for three years, Hamilton 55 cents and Edmonton 44 cents.

He names five things that cities can do to reduce insurance costs as follows:

1. Eliminate hazards and thereby reduce penalties for high hazards.

For some months fire insurance costs have been receiving attention from municipal authorities looking for a reduction. A survey recently made by Commissioner John Hodgson, Edmonton, indicates the loss experience on municipal buildings to be more favorable than on other classes. To municipal officials this suggests lower premium rates. Insurance men, on the other hand, claim that to take the experience in individual cases may be misleading as whole principle of insurance is based on the groups paying the losses of the individual.

Four elements in the fire hazard he lists as location, exposure, construction and occupancy.

2. Get rate reduction. Prospects of adequate rate reductions on the basis of a low loss experience over a term of years he sees as somewhat remote. Although records show the rates have come down, Mr. Hodgson does not seem to think they have come down enough.

Partial Insurance

3. Carry partial insurance. Some cities, he finds, insure only their most hazardous risks. Good fireproof buildings are carried without insurance on the theory that, if a fire does occur, the loss will be only partial. Among cities in the United States which carried only partial insurance he found the following conditions as essential: a population of over 100,000; a low loss ratio over a period of years; a sufficient number of varied risks to justify self-insurance or no insurance.

4. Carry no insurance. This he found was adapted more to large cities where the expense of carrying adequate insurance in private companies for numerous risks he claimed would be considerably greater than probable losses. Normal losses in a single year, in his opinion, can be met by special appropriation. Essential conditions where a municipality carries no insurance Mr. Hodgson lists as:

a Public buildings must be spread over a wide area.

b There should be a large number of risks. Smaller cities carrying no insurance are more likely to meet with disaster.

c The most expensive risks should be of fire proof construction.

d The local fire department should concentrate on improved fire prevention and insurance program.

Self-insurance

5. Carry their own fire insurance —Assuming 30% to 50% of fire insurance premiums goes to defray the cost of insurance, based on his investigation, Mr. Hodgson says, cities can save this by self-insurance. Such a plan would involve establishing insurance funds by payment of regular premium charges into a fund or else by appropriating a certain amount each year. Care would have to be taken, he declares, to keep large risks properly covered by insurance until the amount in reserve is enough to assume full coverage safely. As the fund in reserve grows, the amount carried by private insurance companies can be reduced. For Edmonton he suggests an initial payment into the fund of $250,000, with an annual payment of perhaps $5,000 until $500,000 is reached. The additional sums could be arranged according to the growth of the city.

In general Mr. Hodgson believes municipal risks should be classified as such and premiums adjusted according to actual losses instead of merging them with other and/more hazardous ones.

Co-operative Insurance

In the conclusion to his report he mentions the system in the United Kingdom where a number of municipalities insure in the Municipal Mutual Insurance Ltd., a co-operative municipal insurance company which writes insurance for 1,000 municipalities, including fire, automobile and fidelity insurance.

Features of this plan he indicates are that the company writes insurance only with local authorities where the experience has been good; its operating expense is lower than that of ordinary insurance companies; no dividends are paid except as reduced premiums to policyholders; funds are well invested and bring in substantial revenue annually. He claimed that while private companies had reduced rates in coterminous areas by 33% in recent years the rates of Municipal Mutual Insurance had kept 10% lower than the private companies' level.

Fire Agents' Views

Fire insurance agents of Edmonton in a memorandum point to the general principle of insurance that the loss should be spread over a large number of risks and over a period of years. They claim the difference between premiums collected and losses paid is not a loss to the municipality but the net cost of insurance and they quote from the report of Mr. Justice Masten, after an investigation into fire insurance rates, that the cost of insurance cannot be gauged accurately until the contract is complete.

Montreal's Experience

As an example of what may happen when self insurance is carried, the agents quote the experience of Montreal. In 1902, the city had established a fund of $10,000 to be contributed annually for self-insurance. By 1922 this had grown to $200,000. That year the city hall burned with a loss of $1.5 million and the Bonsecours Market and incinerator were burned with losses of $120,000 and $30,000 respectively. Thus the city, after paying into a self-insurance fund for 18 years, had $200,000 to meet losses of $1.7 million.

As a result 4½ mills were added to the tax rate for years.

The agents also point to the investment difficulties that might overtake a city like Edmonton. In the last 20 years it would probably have invested a large proportion of its funds in Alberta bonds, for example.

Other examples brought forward indicating the weakness of the belief that public buildings will not burn, include the burning of the parliament buildings in Ottawa and of the Ontario parliament buildings.

In general the argument seems to be between the experience in specific instances for a limited period of years and the broad general theory of insurance of all funds going into a common pool from which losses will be paid.

Insurance Not Payable When Man Is Hanged

Under a recent Ontario Court of Appeal decision, the sister of a man executed for murdering his wife is not entitled to the proceeds of two insurance policies on his life, although she had been named beneficiary by his will. Main ground for the decision was public policy.

It is the only decision of its kind in Canada.

Circumstances of the case were these:

Insured for $5,550

A man named [illegible] was insured for $5,550 by two policies with the Prudential Insurance Co. of America payable to his wife, if living, otherwise to his executors, administrators or assigns. The wife was found drowned and the husband was convicted of murdering her and sentenced to be hanged. While in jail, at Brampton, Ont., awaiting execution, he made a will bequeathing all his estate to his sister [illegible] and appointing her executrix. After his death the sister claimed payment of the insurance moneys; the insurance company refused payment and the executrix sued.

As both policies had been in force less than two years, there was no cash surrender value.

At the trial the court dismissed the action, maintaining that the sister, an executrix, was claiming under the brother's estate and the claim was not enforceable both on the ground of public policy and because in the court's view the insurance contract did not contemplate the contingency of death for crime. It was also stated that although the will might make the sister the beneficiary, she as an ordinary beneficiary had no right to sue.

On appeal the decision was sustained.

Preferred Beneficiary

All the justices dealing with the case noted that the wife was a beneficiary of the preferred class and that her designation as a beneficiary created a trust under the insurance act. The implication in the opinion of some lawyers contacted by The Financial Post is that if the man had murdered somebody else and had the wife been alive, as a preferred beneficiary her position would have been much different from that of an ordinary beneficiary or one whose claim might arise under a will like the sister.

The principle of public policy followed is that a court will not recognize a benefit accruing to a criminal from his crime. It was stated by the court that while the executrix was personally free of any connection with the crime, to carry out the terms of the will, as far as the insurance money was concerned, would be to permit an increase of his estate as a result of a crime in which neither court would concur.

MacLeod-Cockshutt Gold Mines reports production for April, May and June, third quarter of the fiscal year ending Sept. 30, 1943, of 54,068 tons milled compared with the preceding quarter's production of 55,724 tons milled. Gross value of production was $583,088 in the third and $622,886 in the second.

La Luz Mines report a net production for the first quarter of 1943 of $622,922 compared with $714,556 the previous year. Net profits were down 50% from last year at $139,153, after depletion charges of $132,127.

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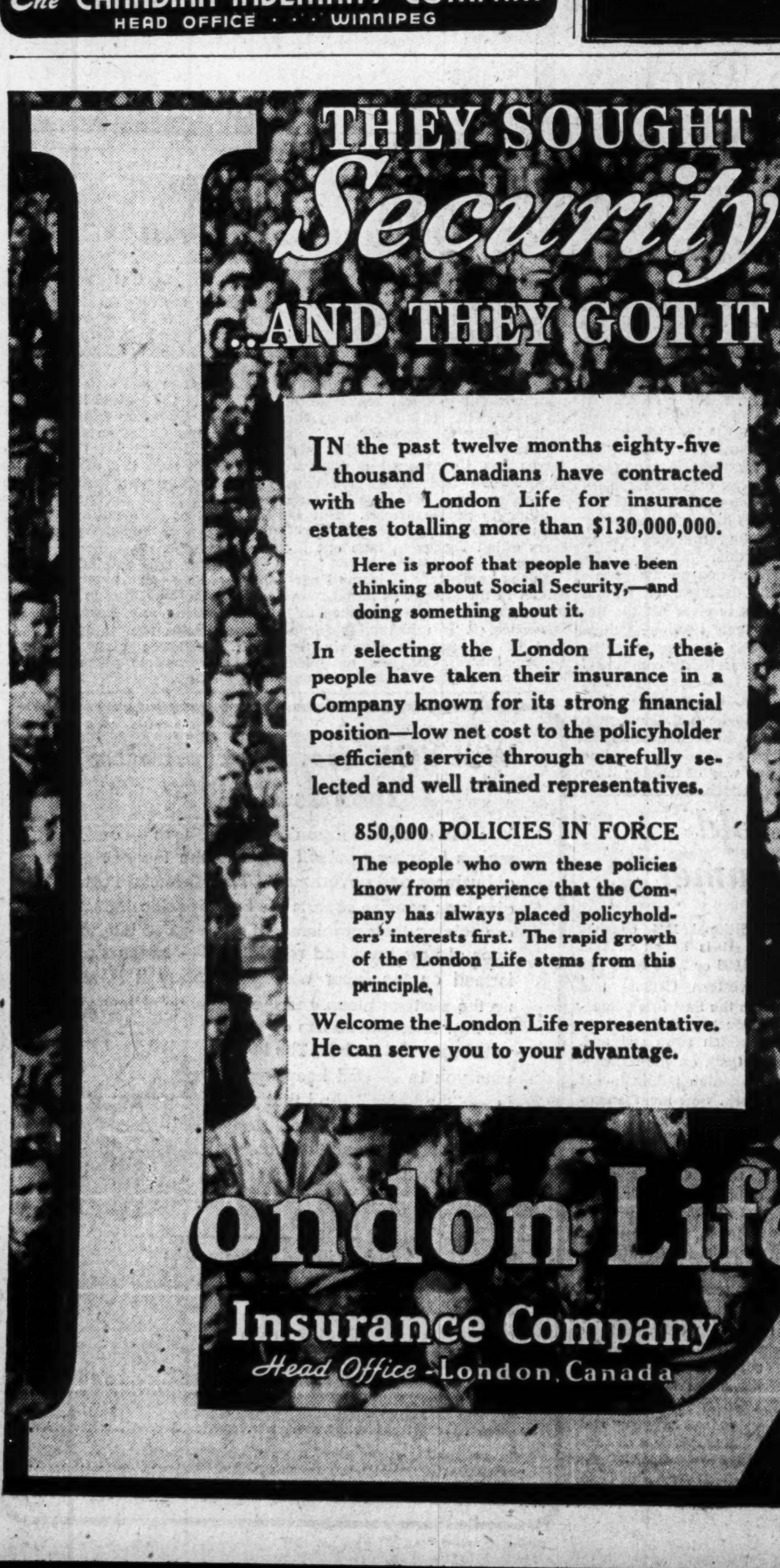

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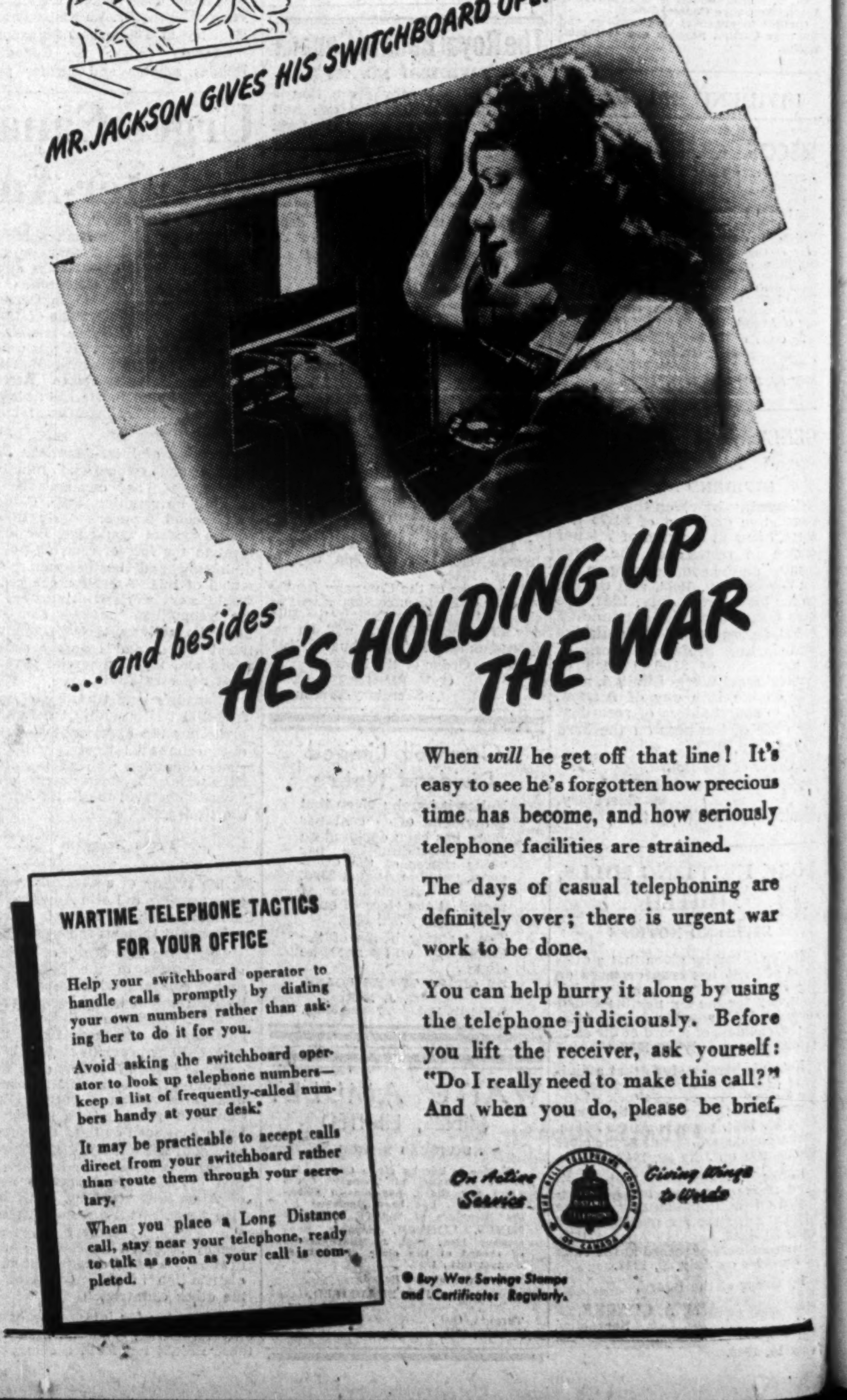
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Mining Taxes

OMA Seeks Tax Change

Dominion Loser Under Neilly Plan for New Mine Tax

With Dominion and Ontario Ministers of Mines saying they will be glad to receive representations looking toward a revision of mining taxation, the industry's ideas on how taxation should be revised become of interest to shareholders and public alike.

Below The Financial Post presents, in part, the speech of Balmer Neilly, executive vice-president of McIntyre-Porcupine Mines, presented to the annual meeting of the Ontario Mining Association. This speech received the meeting's endorsation as embodying proposals members wished to see implemented.

By **BALMER NEILLY**

The Ontario Mining Tax Act was drafted by men who were earnest and practical as to purpose, and that act has stood the test of time. It is in truth a model act because it has been copied in its general clauses by both Quebec and the Dominion of Canada.

We all know that when a machine is running smoothly, we should leave it alone. The same is true of a well designed, easily applicable, taxation measure, and our present difficulty with respect to this act arises out of an amendment made in 1916.

In that year, you will remember, the Dominion imposed a wartime Income Tax Act. It was described as a wartime necessity and it was intimated that with the end of hostilities its application would be restricted and finally cancelled. The rate of taxation was modest, and when the Ontario Government was asked that the Dominion Income Tax be allowed as a deductible item, they readily acquiesced. This was looked upon as a temporary arrangement.

However, as it turned out, it was not a temporary arrangement, and the rate of tax levied by the Dominion grew with the years until now it has thrown the Ontario Mining Tax Act entirely out of balance.

After deducting the tax paid the Dominion, and especially if prepayments are so deducted, there is not enough left properly to compensate the Province for the cost of administration in the mining districts, building roads, etc., and that portion made available to our mining municipalities is totally inadequate.

Mutch's brief on mine taxation demonstrates two things. In the first place, the taxes levied from all sources are beyond the ability of the industry to sustain, and today that industry is definitely on the down grade. Secondly, it shows that, of the total tax revenue derived by all authorities from the mining industry, over 90% finds its way into the coffers of the Dominion Government.

If you will examine and compare the expenditures made by each of these two governments to promote, encourage and maintain our industry, you will find that they are in inverse ratio to the revenue they collect.

Seek Relief From Ottawa

For the reasons mentioned, and for many other reasons that, if time permitted, would have been listed, the assertion is now made, and *made emphatically*, that the necessary *relief must* come from Ottawa.

At the beginning of this statement, two reasons were advanced to explain why mine managers were disinclined to comment publicly on our tax situation. Let us be frank and call a spade a spade. Some of us were afraid that in any adjustment effected the depletion allowance would be further reduced. I have heard bright intelligent men suggest that since the company is allowed 33-1/3%, and the shareholder 20%, the depletion allowance totals 53-1/3.

Let us determine the real situation and compare it with 53-1/3%. Let us assume that the operating profits of a Canadian gold mine are $300 and see what happens:

Operating profit	$300
Depletion allowed (33 1/3%)	100
Taxable profit	200
Less: Dominion tax at 40%	80
Taxed income remaining	120
Add: Depletion allowance	100
Total for shareholders	220
Shareholder's depletion (20%)	$44

Proportion depletion allowed the shareholder is forty-four three hundredths or 14.67%. There is a difference between 53-1/3% and 14.6%.

I am inclined to think the Ottawa authorities honestly think they are allowing us 33-1/3% depletion. If they do, and if they realize the present situation with respect to mining in Canada, it will require little effort on their part to agree to a 50% depletion to the company and the same to its shareholders, because, if again you will compute the facts, you will find that the net allowance in such case will be 40%, or an increase of only 6-2/3% above what they believe they are now allowing.

In certain comments added to the Mutch brief, I have set forth in a brief way my arguments in favor of including the cost of all outside exploration with the deductible total. There is no necessity of reiterating these remarks or laboring a presentation that in my opinion cannot be disputed.

Now let me sum up the situation as it has developed in my own mind as the result of study and discussion.

First of all, the mining municipalities must get a greater proportion of the revenue derived by means of taxation. Secondly, if the Province is to be justified in building roads and giving practical assistance to those engaged in the search for and development of our mineral resources, it too should have a somewhat greater proportion of such revenue, and the **total** tax paid by the mining industry must be reduced.

Here is my suggestion for what it is worth.

1. In computing the Provincial Mining Tax, let us drop subsection (j) of Section 4 and substitute a new clause authorizing the deduction of all taxes paid the municipality. On the basis that under subsection (j) only one year's Dominion taxes would be deducted in any calendar year, this method would increase the municipal revenue by something over 50% and the provincial revenue by slightly more than 40%.

Your first reaction will probably be that the municipalities will get too much. If you will compare their average mill rate of assessment with that levied by municipalities in older Ontario, you will find their rate is far too high. With greater revenue obtainable through the Mining Tax Act, they can normalize their mill rate.

Some may suggest that the Province will get too much. Well, it must be borne in mind they have given up the Corporation Tax, and moreover, if our industry is to be revitalized, they will be expected to spend more money in that process.

In any case your final attitude to this proposal must be predicated upon the overall result.

2. Let us move now to a consideration of the Dominion tax on mining companies. In addition to the deductions now allowed, it is proposed they will allow:

(a) Taxes paid the municipality.
(b) Taxes paid the province.
(c) All expenditures on outside exploration carried on in Canada.
(d) A depletion allowance of 50% to company and shareholder alike.

This will result, as closely as I can determine, in reducing the Dominion tax by about 28%.

Now balancing the two increases against the one decrease, it will be found that there has been an overall decrease in total taxes payable amounting to about 22½%.

Says Reduction a Minimum

Is 22½% enough to turn the tide that is now running against our industry? Frankly I do not know, but I am certain that anything less will be definitely insufficient.

The proposal is logical. The municipality, a part of the industry within its boundaries, comes first. Taxes paid the municipality are the first charge against earnings. The province comes next as owner of the mineral resources within its boundaries. The Dominion comes last and it gets the lion's share after allowing actual costs including taxes paid the municipality and the province.

If the industry is to continue; if our mineral resources are to be utilized by this generation, prospecting and the necessary testing and development work must be carried forward at a greatly increased rate. Such work and expense must be accorded the same consideration as research carried on by manufacturing companies.

Mine Life Eight Years

We now have the detailed results of 35 years' continuous work, carried on under more favorable circumstances than perhaps will ever exist again, and we know and must acknowledge that the average taxpaying life for a precision metal mine is approximately eight years. Unless we can find something better than an arbitrary figure for depletion allowance, it must be concluded that 50% is the minimum allowance that will fit the average metal mine's experience.

Bralorne Ore Supply Gains

Tonnage Milled Drops But More Ore Opened Than Milled

Although a decrease in tonnage of ore milled was shown by Bralorne Mines the June quarter, ore developed was better than ore reserve grade and exceeded tonnage milled, the company reports.

Development was concentrated on the 16th and 17th levels during the quarter with results stated "very satisfactory."

Prepare New Producer

Of a strategic mineral property being equipped for production—as outlined in a previous quarter report—it is stated that all equipment for the treatment plant has been purchased and is now en route to the property. The program of shaft sinking is stated to have given satisfactory results and production is anticipated before the end of the year.

The Bralorne exploration department and the personnel of Summit King Mines, subsidiary, are confining their efforts to the search for strategic mineral properties.

A total of 31,158 tons of ore was milled in the three months ended June 30, 1943 for an output of $717,524 or $23.03 a ton. This compares with an output of $823,669 from 33,553 tons of ore and average recovery of $24.55 a ton the preceding quarter.

Perron Gold Extends Ore

Diamond Drilling Yields Favorable Results From Work on Upper Levels

High-grade ore sections have been cut in the course of diamond drilling operations, carried out on the 625 and 725-ft. levels, indicating that much ore remains to be obtained from these levels, it is stated by J. P. Norrie, manager of Perron Gold Mines. Other valuable ore sections were secured in the course of the 15,180 ft. of diamond drilling carried out above the 1,025-ft. level during the second quarter of 1943.

In the course of development work during this period, Mr. Norris reports, important ore was opened up on most levels to the 1,625-ft. level. 425 ft. of drifting, 723 ft. of crosscutting and 1,138 ft. of raising was done, yielding 2,400 cars of .13 ounces grade ore. 45% of the development work was done below the 1,025-ft. level. 27% of the gold came from below the 1,025-ft. level.

The manager also reports that shortage of labor caused a severe decrease in development work and gold production especially during April and May, but more settled conditions exist at the moment. Figures given on the operations of the quarter are as follows:

Operating Results

Tonnage milled	30.023
Production	$300.864
Extraction	98.09%
Average daily tonnage	329.9

Port Coldwell May Become Producer

Arrangements are now being made for placing a first production unit of a nepheline syenite property of Port Coldwell Mines & Metals, near Bancroft, Ont., it is reported. Sufficient material is stated to have been outlined to keep a 100-ton mill in operation for two years. Mining and milling costs of $6 a ton are hoped for, it is understood.

Stadacona Liquidator Offers Three Proposals

Shareholders' Committee Favors Continuation of Operations Under Liquidator Until All Indebtedness Discharged

Three possible courses for further action are set before shareholders of Stadacona Rouyn Mines, in liquidation, in a statement of George Duclos, liquidator, forwarded by the Shareholders' Protective Committee.

These courses are presented by Mr. Duclos to shareholders with a form to indicate which plan is favored.

The alternative plans are:

1. Sale of property by public tender with court approval with proceeds distributed according to law.
2. Formulation by the liquidator of plans of compromise or arrangements, with shareholders accepting any equity as might be made available.
3. Continued operation of the property by the liquidator until sufficient funds are accumulated to pay off all creditors with subsequent return of the property to its shareholders, free and clear of all debts.

Committee Wants Continuation

The third of these alternative plans is favored by the Shareholders' Protective Committee which is stated to have held approximately 150 conferences with various interests representing both noteholders and shareholders since its appointment.

Secretary H. M. Levine outlines the committee's activities as follows:

"No useful purpose would be served by attempting a detailed account of these meetings, and no satisfactory compromise could be arranged with the noteholders. Whereupon your committee sponsored a test case against Earl Baptist, a noteholder, before Justice Boyer, who on June 19, 1942, gave judgment to the effect that all notes secured from the company by exchanges of shares were illegal and ordered the surrender of the notes to the company, together with all interest received thereon and the return of the original stock to Baptist. The judgment has been of tremendous value to the stockholders as applied to about 80% of the notes issued.

"Since that judgment, the whole situation with regard to the mine has been more or less under constant review and consideration, with the result that the position of the shareholders has been greatly benefitted and improved, as is indicated by the company's statement from the liquidator."

Much Work Involved

George Duclos, liquidator, in his letter, states in part:

"Tracing irregularities has been a long and difficult operation and quite a number of shareholders and creditors, not realizing the work involved, have apparently become impatient over the length of time spent in this task and now feel that the company should be immediately discharged from liquidation and restored to its owners.

"There is further work to be done in the interests of all those involved such as adjusting or rejecting what are known as disputed claims, continuation of clarification of the "note" situation and of the trade claims. This is what the inspectors and the liquidator are now doing."

Working Capital Better

A statement forwarded to shareholders shows a working capital deficit of $74,816 at Nov. 30, 1939, changed to working capital on hand of $263,489 at Nov. 30, 1942. Total net current assets of $369,055 at Nov. 30, 1942, included $81,576 of cash and $150,000 in Dominion of Canada bonds.

Total revenue the three years ended Nov. 30, 1942, amounted to $2,426,724. Operating profit before depreciation was $508,780, and after capital expenditures, shaft sinking and bad debts written off totalling $162,475, current asset's position was improved $346,305, as shown above.

Mining INVESTMENTS

Sir Harry Oakes' estate will not be the $200 millions mentioned in press dispatches but something under $100 millions, The Financial Post is informed. If Sir Harry had remained in Ontario, Dominion and provincial coffers would have been enriched by $120.7 millions inheritance tax on a $200 millions estate—if all property had been left to his wife and if the entire estate had been located within Ontario. The tax would have been divided: $66.7 millions for Ontario and $54 millions for the Dominion.

On a $100 millions estate, the joint tax would be $60 millions while $30.2 millions would be paid on a $50 millions valuation.

Bulk of Sir Harry's property had been removed from Canada by the time of his death and will likely come under the Bahama's inheritance tax which is less than 2%.

* * *

Control of Lake Shore Mines will remain in the hands of the Oakes family, The Financial Post is also informed. No Lake Shore stock appeared in the name of Sir Harry Oakes on the company's share ledger at the time of death, the stock being held either through trust accounts or a private holding company, it is understood.

Lake Shore shares showed only a minor change in price on news of the largest shareholder's death. People in touch with the situation say there is no danger whatever that any block of Lake Shore shares may have to be liquidated to meet inheritance taxes.

* * *

An unusual aspect of Steep Rock Iron Mines diversion of the Seine River and draining of Steep Rock Lake is the requirements of the fisheries departments of the Federal and provincial governments that Steep Rock and subsidiary lakes be fished out before drainage is completed.

Four large crews of men are now reported busy manning three large boats and several small ones engaged in fishing out Finlayson and Steep Rock Lakes. A total of 142 nets are being used and shipments of 12 to 40 boxes of fish weighing 100 lb. each are being made daily to Montreal, it is stated. Pay envelopes are reported running as high as $100 to $300 a week in this work, depending on the catch.

* * *

Canadian gold and base metals have been giving evidence of considerable market strength recently. On occasional days, these issues have recorded fair gains on the Toronto and Montreal Stock Exchanges while stock prices generally remained unchanged or were being marked down on the New York Stock Exchange.

It seems now that favorable international news is perhaps considered more bullish in the case of gold and base metal issues—in Canada at least — than for stocks generally. The explanation being given is this:

Gold stocks have much more to gain by an early return of peace than many industrial and public utilities which may find postwar readjustment a problem. In some instances, production can be quickly accelerated at the individual gold mine just as soon as a greater supply of labor becomes available.

For base metal mines, a return of peace may possibly mean better rather than poorer business. Output is being sold at very low levels now. It is doubtful if even lower prices will be received after the war—especially if a degree of inflation is experienced.

Taxes on profits may conceivably be lower after the war and all kinds of mines will have the opportunity to catch up on vital development work.

Sigma Mines (Quebec) production figures for May and June, 1943, are as follows:

	June	May
Gross production	$184,868	$216,729
Tons milled per day	951.7	834.3

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The Week in Oils

From Our Own Correspondent

CALGARY—Work was started last week on another location on the central west flank for a well to be backed by the Dominion financed Wartime Oils. The new site is Chinook Oils No. I, quarter of a mile west of the Independent No. 1 producer. (This is on the location staked some time ago as B.A.—Brown 3). Cellar and foundations have been completed, and derrick is now being erected. (Chinook Oils shares are held 40% by Brown Oil Corp. and 60% by Federated Petroleums and its subsidiaries).

Anglo Canadian No. 10, Wartime Oils-backed test in L.S.D. 4 25-19-3w5, was spudded in on July 15 by contractor Drilling Contractors. Okalta Oils No. 15, Wartime Oils-backed test L.S.D. 10 6-19-2w5, was spudded in on July 13 by contractor Commonwealth Drilling Co.

* * *

Other Ventures Drilling

Survey of other wells on the Wartime Oils-backed string shows:

Pacific Pete No. 6, making hole below 2,676 ft.;

Lion-Sunray No. 3, drilling around 1,000 ft.;

Valley Oils No. 1, drilling below 800 ft.;

Okalta Oils No. 12, reaming for surface pipe with bottom at 650 ft.;

Okalta Oils No. 13, rigged up and waiting gas to spud;

Okalta Oils No. 14, completing rigging;

Chinook Oils No. 1, erecting derrick;

Calmont No. 1A, location, and waiting assurance of gas supply before starting work.

* * *

Not on List Yet

With exception of Pacific 6, for which drilling permit was issued some months ago, none of the above wells appear on the Conservation Board's weekly report No official recognition is taken of the fact that wells are drilling or being readied for drilling until drilling permits have been issued.

Applications for permits were made some time ago, but the Alberta Government at Edmonton has not yet returned them to the Conservation Board marked "approved," it is stated. Until this has been done, it will not be possible to complete the final agreements covering financing between the lease holders and Wartime Oils Ltd. Operations to date have been financed by the leaseholders of drilling contractors concerned.

* * *

Gas Supply a Difficulty

Another stickler in the Wartime Oils program is a supply of fuel gas. Very few of the 10 wells staked to date are able to secure adequate gas supply, apparently because no one in authority (Conservation Board and Oil Controller) has made arrangements for use of gas from absorption plants in central Turner Valley, nor apparently can Wartime Oils or drilling contractors provide funds and pipe for a gas line from other sections of the field, where large volumes of gas are being burned in flare lines. What with these delays, it appears impossible to fulfill Munitions Minister Howe's statement of last April that all proven sites in Turney Valley "will be drilled out this year."

* * *

Shell in Warner Area

Joining in the very extensive exploration program under way in the southeastern section of Alberta, Shell Exploraton (Alberta) has taken up a block of some 54,000 acres south of Warner. The acreage, the bulk of it a crown reservation, covers the north half of township 2 ranges 17 and 18 west 4, most of township 3 range 18w4, and the southerly part of township 3 range 17w4. The block adjoins to the north a block of 65,000 acres taken out recently under the name Ed. H. Hunt, and adjoins to the south one of the large Dominion Oil Co. reservations.

Shell has already started surface geological work on its Warner block, and is busy correlating data on various wells drilled in this general area in the past. Following completion of this work, plans will be drawn up for further investigation — geophysical or core-drilling.

* * *

Lion Starting Core Tests

Lion Oils has landed its core-drilling equipment and crew on its 18,080 acre Reservation north of Conrad and Skiff, and is expected to commence the first of a series of 10 core-tests the first of the coming week. Bulk of the reservation lies in township 7 range 15w4, and extends into township 7 range 14w4. Lion Oils is the first of the several independents holding extensive acreage in southeastern Alberta to get survey work under way.

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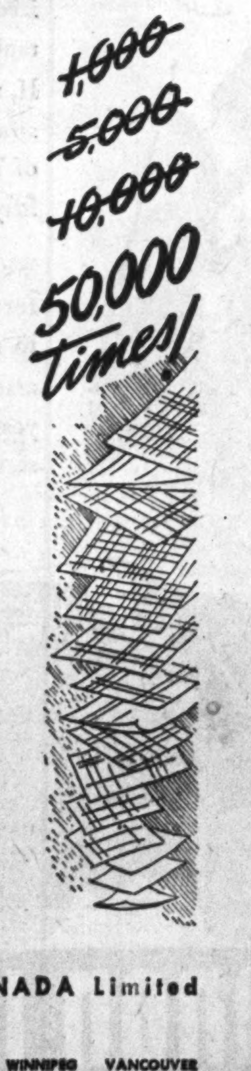
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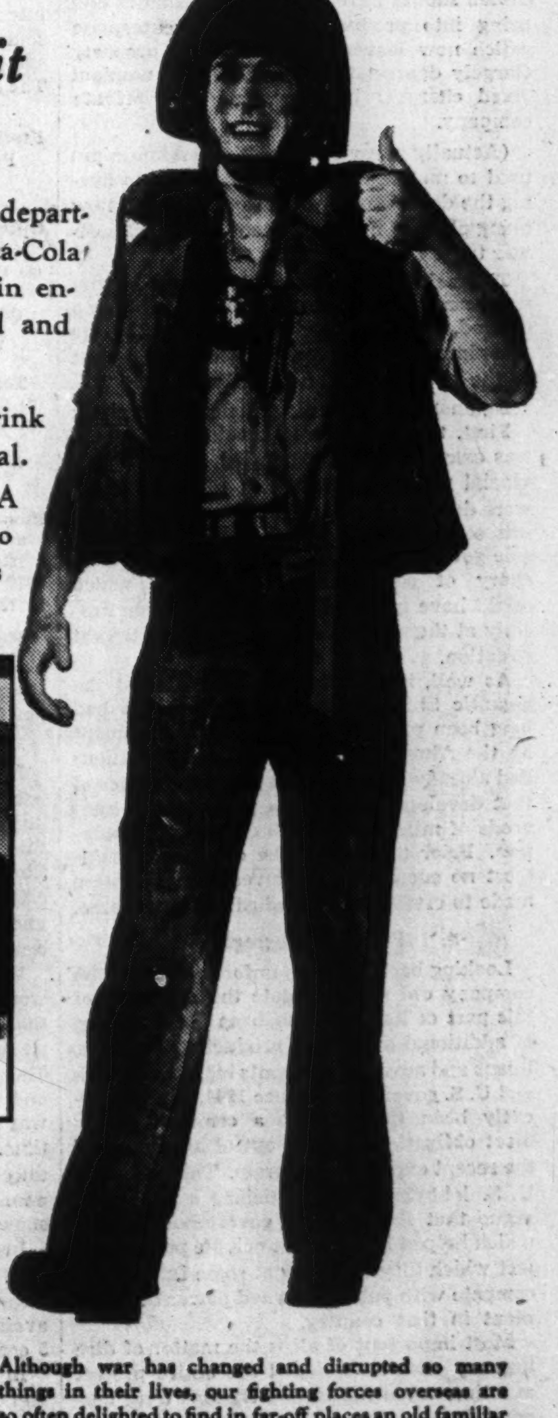

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Truth About Aluminium Ltd.

(Continued from page 11)

ated depreciation by the War Contracts Depreciation Board on several million dollars worth of expenditure at Arvida, Kingston and elsewhere, in line with Canada's general war expansion policy.

In summary, the company's wartime emergency expansion program involves an expenditure of between $240 and $250 millions. The money will be spent as follows:

Aluminum capacity at Arvida, Br. Guiana, Newfoundland, etc.	$151,200,000
Manufacturing capacity at Kingston	15,600,000
Power capacity at Shipshaw	70,000,000
Total	$236,800,000

This may be exceeded by $12 millions if costs at Shipshaw and Arvida rise as anticipated.

Very roughly the sources from which this expansion is being financed are as follows:

Loans from United Kingdom	$ 55,600,000
Credit from United States	25,000,000
Advances on sales contracts	93,000,000
Spent from company resources at:	
Kingston	8,800,000
Shipshaw	28,000,000
Arvida, etc.	11,900,000
	$ 48,700,000
Sale of Aluminum Co. of Canada preferred	14,500,000
Total	$236,000,000

War Emergency Expense

Looked at another way, the company expects to deliver under all its contracts between June, 1941, and the end of 1944, a total of approximately three billion pounds of aluminum. Thereafter, if the war continues and the demand for aluminum is sustained, it is prepared to deliver aluminum at the rate of more than a billion pounds each year.

To achieve this gigantic operation, an expenditure of somewhere between $240 and $250 millions has been necessary, an expenditure which is classed by all governments as war-emergency expense because it involves a capacity 12 times greater than that of peacetime and 20 times greater than even the peak of Canada's wartime need for aluminum.

Three quarters of this expansion has been financed by loans and advances from Britain, United States and Australian governments.

Three quarters of the expansion will be written off within 2½ years through special accelerated depreciation. This is possible because of a special escalator clause in the U. S. Australian and British (supplementary) contracts which "freezes" profits at a level high enough to permit a special write-off at the rate of 5.5 cents per lb. of ore produced. This special depreciation is allowed by a Canadian Order-in-Council (P.C. 11745, dated Dec. 31, 1942). If the company maintains its present production, the $155 to $165 millions allowed for depreciation under this order should be completely written off by the end of 1944.

On most of the rest of its plant, the company is permitted normal depreciation.

Though the special depreciation agreement was by Order-in-Council, the amount is said to have been decided on by the War Contracts Depreciation Board on the same principles as other war expansion programs.

Fixed Charges Nominal

It is argued that methods other than those chosen should have been used to finance and bring into production this vast enterprise which now leaves a $350 millions property (largely depreciated and with very nominal fixed charges) in the hands of a private company.

(Actually many of the methods Aluminium used to maintain control of its markets during the depression are the same methods now being planned by government to control postwar trade.)

The main alternative would seem to be that a government-owned plant might have been erected, to be managed on a fee basis by the Aluminum Co. for the duration and revert to the government after the war.

Against this, several arguments are cited: First, the waterpower development which was essential to the expansion, involves provincial rights—rights which for good or ill were deeded by the province to private interests some 40 or 50 years ago. Not only outside governments, but Ottawa itself has been chary of constitutional arguments which might have involved endless negotiation possibly at the risk of delay in a terribly urgent situation.

As well, it must be remembered that the gigantic Shipshaw power development had long been planned as a private development by the Aluminum Co. and that $35 millions had already been spent on the initial stages of that development. It is a plant that is hundreds of miles away from centres of population. Prior to the war the company had almost no success in whatever attempts were made to establish new industries in the area.

Failed to Segregate

Looking back, it seems unfortunate that the company did not segregate the financing of this part of its expansion from the financing of additional aluminum production facilities. Loans and advance payments made by British and U. S. governments since 1941, have apparently been thrown into a common pot to meet obligations arising out of all phases of the recent expansion program. This has given U. S. lobbyists and politicians a chance to argue that it was U. S. government money which helped build a vast private power project which they fear may at some future date compete with publicly-owned power development in that country.

Most important of all is the matter of dire urgency which enveloped the entire project at a time when the United Nations were desperately and almost fatally short of aluminum for planes.

Over 75% of the weight of a modern military plane is aluminum; 90% of the wings and fuselage in a pursuit ship; 60% of the engine, all of the propeller.

Until recently, Canada has been supplying 40% of all the aluminum required by the United Nations. The Battle of Britain was won by planes made with Canadian aluminum.

Thus the vital and all-important decision that had to be made and made very quickly, was one which would give a fabulous amount of aluminum to Britain and to other United Nations in the shortest possible time.

Unquestionably, the answer lay in the direction of an organization which had 50 years of aluminum "know how" behind it — an organization which had the ground work ready and available for a colossal and meteoric expansion. The decision for the final big expansion was made largely by the U. S. Government and no one who has seen Arvida and learned at first hand the colossal difficulties which attended this miracle of production, can doubt the wisdom of that decision.

What the United States Government decided to do—and the decision was concurred in by Great Britain—was to deal directly with the Aluminum of Canada management and advance the money to enable that company itself to produce the required aluminum in the shortest possible time. (Later, Mr. Howe was appointed agent for the British Government in respect of deliveries of metal to that country.)

Since then, there has come from Mr. Howe, from the War Production Board, from the Ministry of Aircraft Production in Britain and from other key officials, the highest praise of the way in which the company has met or improved on its production and deliveries.

Was Deal too Generous?

Decision to produce in this way having been made, was the financing of the deal over-generous to the company?

No one will know the final answer to that question until the riddle of the postwar future of aluminum is solved. Certainly by any prewar yardstick, the potential productive capacity of world aluminum output looks fantastic. (Production in U. S. itself is now 10 times that of 1930; 7 times that of 1938.) Of total world capacity, 20 to 25% will probably be in Canada—most of it requiring to be marketed outside the Dominion, and under conditions which may be very different and more competitive than the pre-war cartel arrangements of 1931-37.

On the other hand, profit figures, which can now be computed with reasonable accuracy, reveal that the Canadian property, once its special depreciation arrangements are complete, should be able to slash the price of aluminum very substantially—provided production is maintained after 1944.

More Figures Available

Until very recently, the cost-profit relationships of Aluminum Co. of Canada were as unfathomable as the pyramids. Today, the information disclosed in the Howe-Coldwell debate in the House of Commons, plus profit figures published last January when the company made its first offering of preferred shares, permit as accurate an estimate of cost-profit relationships as are possible for any company.

What is given below for the first time is a six-year profits record in cents per pound of aluminum produced. The figures are obtained by dividing the poundage of aluminum produced in each year into the published figures as shown in the company's profit and loss statement. The writer has been assured that this method gives a result "reasonably indicative" of cost-profit relationships—despite the complication of profits from other sources such as the sale of fabricated metal, sale of power, income from investments, etc. The figures follow:

ALUMINUM CO. OF CANADA
Profits, Depreciation and Taxes in Cents per Pound of Aluminum Produced, 1937-1942

	1937	1938	1939	1940	1941	1942
	c.	c.	c.	c.	c.	c.
Operat. prof.:	11.6	12.2	13.3	13.3	13.0	10.9
Less:						
(1) Depr. & depl.:						
(a) Normal	1.4	1.6	1.6	1.3	1.1	.8
(b) Special (incl. war)	..	..	..	.4	4.2	6.0
Total	1.4	1.6	1.6	1.7	5.3	6.8
(2) Taxes:	1.5	1.9	2.3	4.6	3.2	1.6
(3) Other chs:†	.3	.7	.4	2.0	1.2	.5
Net profit:	8.4	8.0	9.0	5.0	3.3	2.0
Pounds of aluminum produced (in millions)	94	145	166	218	425	672

†Represents bond interest alone, in 1937, 1938, 1939 and 1942. Includes special reserve, as well, in 1940 and 1941.

Here, in the simplest and most understandable form, is the basic material to judge the company's prewar, present and postwar position and potentialities.

Prewar Profits High

In brief, the figures show the high level of net profits this company started to make during 1937-39, and the extent to which this margin has been reduced by war taxation and by the special write-offs for depreciation. In 1942 these write-offs for both war and normal depreciation amounted to 6.8 cents per pound of metal produced.

Were figures available prior to 1937, they would confirm a point already made, namely that the manufacture of aluminum in Canada started to be really profitable only in 1937. This was in part because of increased demand and in part because the smelting of bauxite was done in Canada in that year for the first time. Net profit per pound of aluminum produced ranged between 8 and 9 cents per pound in 1937-39 according to the figures shown above.

In 1940, heavier war taxation started to bite. Taxes per pound of aluminum produced, were doubled to 4.6 cents. Net profits available for dividends dropped from 9 to 5 cents per pound of metal.

In 1941 and 1942, the company began to feel the impact of its special depreciation contract. With 5 to 7 cents of profit going into plant write-off, net profits dropped to 3.3 and 2 cents per pound in 1941 and 1942 respectively.

Obviously such an agreement would be of no value to the company unless it was guaranteed a margin of profit out of which to make such write-offs.

It was to meet this situation that the much-discussed, and hitherto undisclosed escalator clause came into the picture. The clause freezes profit margins and permits prices to Britain, Australia and the United States to rise on a formula applied at the end of each quarter after the actual costs of operation are known.

How Prices Changed

At the outbreak of war, the base price of aluminum was 21½c. (Can. funds.) In 1940, it dropped to 20 cents; in 1941 to 18½ cents; and in July, 1942 to 16 cents. This last reduction was made at the request of Mr. Howe when he found that the United States had knocked 2 cents (U.S. funds) off the negotiated price on 80% of the tonnage contracted for. Thus on all but 20% of its foreign or overseas sales, the company is getting a base price (in Canadian funds) of 16 cents, plus an escalator which in the first quarter of 1943 amounted to 5½ cents a pound.

The 20% portion of the U. S. contract covers lend-lease sales. It involves about 274 million pounds of aluminum to be delivered over the life of the contract and extending into 1944-45. The price is about 18½ cents (Canadian funds) plus the escalator.

The Canadian government has no direct contract for primary aluminum with the company, but it is understood that the effective price at which Canadian users of aluminum are buying the metal is equivalent to about 18 cents per pound with no escalator provision.

It has recently been disclosed that the U.S. government is seeking to reopen its contract with a view to getting the price of aluminum still further reduced.

Shareholder Earnings

There is one further test of particular interest to Canadians who have invested an increasing amount of money in this enterprise in recent years. That test is the trend of earnings and shareholder "equity."

Last year, the Bank of Canada worked out a yardstick to measure the trend of corporate profits and shareholders investment since the war. They took the experience of 484 Canadian companies. Using this yardstick in terms of Aluminum Ltd. (there are no comparable figures available for Aluminium Co. of Canada) the trend is as follows:

Aluminium Limited

	Shareholders' Investment (year-end)	Shareholders' Net Income
1936	$40,588,000	$ 2,308,000
1937	44,693,000	8,226,000
1938	52,543,000	11,201,000
1939	64,000,000	15,786,000
1940	72,321,000	12,462,000
1941	77,896,000	16,014,000
1942	85,157,000	14,928,000

Here again the figures show how profits rose after 1937. They show that since the war, net income available to shareholders has averaged close to $15 millions in each year.

The Bank of Canada also worked out a profit ratio for the 484 companies, namely, net income to shareholders as a percentage of shareholder investment. Here are the figures compared with corresponding ratios worked out for Aluminium Ltd., and for another big world-wide metal producer, International Nickel:

Net Income to Shareholders as a Percentage of Shareholders' Investment

	484 Canadian Co.'s	Aluminium Ltd.	Inter. Nickel
	%	%	%
1936	7.0	5.5	18.3
1937	9.0	18.4	23.5
1938	7.3	21.3	14.7
1939	8.8	24.6	16.8
1940	8.9	17.2	16.1
1941	9.9	20.5	15.3
1942	Not available	17.7	14.7

Both companies deal in wasting assets. This is of much greater concern to Nickel than to Aluminum. It accounts in part at least for a higher than average return on shareholder capital. In the case of Aluminium Ltd., high profit ratios have been maintained in part because the company was rapidly expanding its earning power in prewar years which gave it a very favorable "springboard" on which to base its excess profit tax percentages.

Conclusions Drawn

It is obvious that a tremendous and possibly an immeasurable service has been performed for the United Nations by the speed and efficiency with which Canada's aluminum makers stepped up production from a meagre 90 million to 1,100 million pounds per annum.

The method by which the plants are being written off under the government's accelerated depreciation allowance is generally accepted as not only wise and desirable but as the only prudent course to adopt in light of the uncertainties of postwar possibilities. Once the plants are depreciated the company exhausts all right to further depreciation in the future. Whatever earnings are then made become at once subject to taxation.

It is clear that the company has been a very profitable enterprise since 1937. Since the war there has been no flagrant profiteering but net profits have been stabilized at a very comfortable level.

Once the plants are depreciated there would be every reason to expect a further reduction in the base price of aluminum since the company will have very nominal carrying charges in relation to the value of its property. Here again the ultimate test of value and earning power will be ability to sell aluminum in world markets and the company's willingness or ability to attract great new electro-chemical or similar industries to Shipshaw.

What seems most unfortunate about the whole development, a development in which Canadians have reason to take great pride, is the fact that so little is known about it. What little has been published has tended to put various transactions in the worst possible light.

Company officials answer this by pointing to the need for wartime secrecy and to the excuse that they have been so absorbed in their work that there has been little time to devote to "telling their story."

Back of this lies a long-standing reticence on the part of the company and its American associates against taking the public into its confidence.

When it's not raining rain . . . but FIRE!

BOMB PERIL SEEN IN POOR ROOF COVERING
Raid Experience in England Shows Way To Combat Incendiaries

Although many buildings in Canadian cities have roofs which will be able to withstand incendiaries, there are still many other buildings that are acutely vulnerable to attack from the air, experience in England demonstrates.

IN England most of the modern concrete and steel buildings protected with coal-tar pitch, felt and gravel roofs have been proved practically invulnerable to incendiaries. Even on buildings whose roofs were of wood base covered with coal-tar pitch and felt topped with an inch of gravel or slag, many incendiaries burned themselves out without penetrating into the interior.

Whether or not Canada is ever subjected to bombing raids, the experience of England has special significance to owners of wartime plants in this country. For any roof that will withstand 3000° temperature of thermite incendiaries is obviously pretty good protection against ordinary flying sparks and embers that might set off disastrous conflagrations.

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